

Exhibit 37

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,) Case No.:
v.) 20-Civ-10832 (AT) (SN)
)
RIPPLE LABS, INC., BRADLEY)
GARLINGHOUSE, and CHRISTIAN)
LARSEN,)
)
Defendants.)
_____)

VIDEOTAPED DEPOSITION OF
KRISTINA S. SHAMPANIER, Ph.D.
Monday, December 20, 2021

Reported by:
BRIDGET LOMBARDOZZI,
CSR, RMR, CRR, CLR
Job No. 211220BLO

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE)
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Plaintiff,) Case No.:
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RIPPLE LABS, INC., BRADLEY)
GARLINGHOUSE, and CHRISTIAN)
LARSEN,)
)
Defendants.)
_____)

Videotaped Deposition of KRISTINA S. SHAMPANIER,
Ph.D. taken on behalf of Plaintiff, held at the offices
of Debevoise & Plimpton, 919 Third Avenue, New York, New
York, commencing at 9:01 a.m. and ending at 4:41 p.m., on
Monday, December 20, 2021, before Bridget Lombardozzi,
CCR, RMR, CRR, CLR, and Notary Public of the States of
New York and New Jersey, pursuant to notice.

1 A P P E A R A N C E S (Via Remote where indicated):

2
3
4 For the Plaintiff:

5
6
7 UNITED STATES SECURITIES AND EXCHANGE COMMISSION

8 NEW YORK REGIONAL OFFICE

9 BY: PASCALE GUERRIER, ESQUIRE

10 MARK SYLVESTER, ESQUIRE

11 New York Regional Office

12 200 Vesey Street

13 Suite 400

14 New York, New York 10281-1022

15 Telephone: 212.336.0153

16 Email: guerrierp@sec.gov

17 sylvesterm@sec.gov
18
19
20
21
22
23
24
25

1 A P P E A R A N C E S (Continued):

2 For Defendant Ripple Labs Inc.:

3 DEBEVOISE & PLIMPTON LLP

4 BY: PETER URMSTON, ESQUIRE (Remote)

5 LISA ZORNBERG, ESQUIRE (Remote)

6 ASHLEY HAHN, ESQUIRE (Remote)

7 919 Third Avenue

8 New York, New York 10022

9 Telephone: 212.909.6000

10 E-Mail: pcurmston@debevoise.com

11 lzornberg@debevoise.com

12 ahahn@debevoise.com

13 -and-

14 For Defendant Ripple Labs Inc. and the Witness:

15
16 KELLOGG, HANSEN, TODD, FIGEL & FREDERICK PLLC

17 BY: BRADLEY E. OPPENHEIMER, ESQUIRE

18 JUSTIN BERG, ESQUIRE (Remote)

19 Sumner Square

20 1615 M Street, N.W.

21 Suite 400

22 Washington, D.C. 20036

23 Telephone: 202.326.7999

24 E-mail: Boppenheimer@kellogghansen.com

25 jberg@kellogghansen.com

1 A P P E A R A N C E S (Continued):

2
3 For Defendant Bradley Garlinghouse:

4
5 CLEARY GOTTlieb STEEN & HAMILTON

6 BY: JACKIE M. BRUNE, ESQUIRE (Remote)

7 One Liberty Plaza

8 New York, New York 10006

9 Telephone: 212.225.2951

10 E-mail: jabrune@cgsh.com

11
12 For Defendant Christian A. Larsen:

13
14 PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

15 BY: SARAH PROSTKO, ESQUIRE (Remote)

16 1285 Avenue of the Americas

17 New York, New York 10019-6064

18 Telephone: 212.373.3067

19 E-mail: sprostko@paulweiss.com

20
21 ALSO PRESENT:

22
23 NICOLE FORBES, Paralegal, SEC

24 DAVID SHERECK, Videographer
25 Shereck Video Service

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Exhibit 4	Expert Rebuttal Report of Kristina Shampanier, Ph.D. dated November 12, 2021 NO BATES, 45 pages	24
Exhibit 5	Thesis Dissertation "Essays in Behavioral Decision- Making" dated May 2007 by Dr. Shampanier NO BATES, 159 pages	64

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9:01 a.m.

December 20, 2021

- - -

THE VIDEOGRAPHER: Okay. We are on the record. The time is approximately 9:01 a.m. Today's date is Monday, December 20th, 2021. This is the video deposition of Kristina Shampanier in the matter of the Securities and Exchange Commission versus Ripple Labs, et al. Index number is 20-Civ-10832 in the United States District Court, Southern District of New York.

My name is David Shereck, certified legal videographer with Shereck Video, in association with Gradillas Reporting of Glendale, California.

We're located today at the offices of Debevoise & Plimpton located at 919 Third Avenue, New York, New York.

All counsel that are present will be noted on the stenographic record.

And the court reporter today is

09:02:28 1 Bridget Lombardozzi, also with Gradillas,
2 and will you please swear in the witness.

3 K R I S T I N A

4 S H A M P A N I E R, Ph.D., having been
09:02:32 5 duly sworn, was examined and testified as
6 follows:

7 THE REPORTER: Thank you.

8 You may proceed.

9 DIRECT-EXAMINATION

09:02:45 10 BY MS. GUERRIER:

11 Q. Good morning. I'm Pascal Guerrier with
12 the SEC. I'll be asking you questions today.
13 With me is my -- is also counsel, Mark Sylvester.

14 If you could please state your name for
09:02:58 15 the record.

16 A. Kristina Shampanier.

17 Q. Are you represented by counsel today?

18 A. Yes.

19 Q. Who's your counsel?

09:03:05 20 A. Brad Oppenheimer.

21 Q. And who is Brad Oppenheimer with?

22 A. Kellogg Hansen.

23 Q. Before we get started, I want to just
24 give you some of the rules that are going to
09:03:18 25 govern the deposition today so that the deposition

09:03:20 1 can go smoothly.

2 You understand that you're giving
3 testimony under oath?

4 A. Yes.

09:03:28 5 Q. And do you understand that your answers
6 today to my questions have the same force and
7 effect as if we were in a courtroom?

8 A. Yes.

9 Q. Is there anything that will prevent you
09:03:39 10 from testifying truthfully and accurately today?

11 A. No.

12 Q. If you don't understand any question
13 that I ask, I -- please let me know and I'll
14 rephrase it.

09:03:51 15 Please allow me to finish my question
16 before you start answering so that the court
17 reporter can have a clear record of your
18 testimony and my questions.

19 And if you could please respond verbally
09:04:06 20 because the court reporter cannot transcribe nods
21 and other nonverbal actions.

22 Do you have any questions about any of
23 the rules that I've just described to you?

24 A. No questions.

09:04:20 25 Q. Okay. Have you had --

09:04:22 1 MR. OPPENHEIMER: Could I
2 just put on the record here we'd like
3 to continue our prior practice of
4 having an objection by one defendant
09:04:29 5 count as an objection by all.

6 MS. GUERRIER: Sure.

7 MR. OPPENHEIMER: Thank you.

8 BY MS. GUERRIER:

9 Q. Have you had your deposition taken
09:04:35 10 before today?

11 A. Yes.

12 Q. Okay. Do you recall when you had your
13 deposition taken?

14 A. 2016.

09:04:47 15 Q. Any other time?

16 A. No.

17 Q. Do you recall the case where you had
18 your deposition taken in 2016?

19 A. It was several cases combined. One of
09:05:04 20 them was United States versus Florida.

21 Q. Do you recall what the case was about?

22 A. Was a health care case.

23 Q. When you say "it was several cases
24 combined," can you elaborate on that?

09:05:26 25 A. Why don't we open my report and it's

09:05:27 1 listed in my CV.

2 Q. Why don't you answer my questions,
3 please.

4 MR. OPPENHEIMER: Objection.

09:05:35 5 A. There were several cases combined
6 together. One of them had a very long name that I
7 cannot recollect from memory. The other one was
8 United States versus Florida.

9 Q. Okay. Were they all health care cases?

09:05:55 10 A. Yes.

11 Q. Did you do anything to prepare for your
12 deposition today?

13 A. Yes.

14 Q. What did you do to prepare for your
09:06:07 15 deposition?

16 A. I reviewed my report, Mr. [REDACTED]
17 report, the complaint, materials considered in my
18 report, Ripple's answer. I had several meetings
19 with my colleagues and with counsel.

09:06:42 20 Q. Which colleagues did you have meetings
21 with in preparation for your deposition?

22 A. Niall MacMenamin and Vendela Fehrm.

23 Q. And Vendela? I'm sorry?

24 A. Fehrm.

09:06:57 25 Q. Who is Niall MacMenamin?

09:07:00 1 A. He's a -- and I apologize in advance to
2 any of my colleagues whose names I mispronounce.
3 Same for counsel. Niall is my colleague at
4 Compass Lexecon.

09:07:28 5 Q. Does Mr. Niall MacMenamin work with you
6 at Con Lexecon?

7 A. Niall works with me at Compass Lexecon.

8 Q. Compass Lexecon.

9 So do you supervise Mr. Mc -- am I
09:07:42 10 saying his name correctly? Mc -- MacMenamin?

11 A. MacMenamin.

12 Q. MacMenamin.

13 Do you supervise Mr. MacMenamin?

14 MR. OPPENHEIMER: Objection.

09:07:53 15 You can answer.

16 A. No.

17 Q. Okay. So what is his role at Con
18 Lexecon?

19 A. His role at Compass Lexecon -- his
09:08:01 20 position at Compass Lexecon is senior vice
21 president.

22 Q. Were any attorneys present when you met
23 with Mr. MacMenamin?

24 A. Sometimes yes, sometimes no.

09:08:27 25 Q. Okay. Do you recall the times when the

09:08:28 1 attorneys were not present when you met with
2 Mr. MacMenamin?

3 MR. OPPENHEIMER: You can
4 answer that yes or no if you recall.

09:08:38 5 A. Yes.

6 Q. So can you tell me which times you met
7 with Mr. MacMenamin without your attorneys
8 present?

9 A. This would --

09:08:46 10 MR. OPPENHEIMER: Objection
11 to the form.

12 You can answer as to which
13 times you met with him if you understand
14 that.

09:08:57 15 A. This would be in the past two weeks or
16 so.

17 Q. Was Mr. MacMenamin involved in preparing
18 the report that you submitted in this case?

19 A. He assisted me.

09:09:15 20 Q. How did he assist you?

21 A. We had discussions about the report.

22 Q. Did he help you write the report?

23 A. He reviewed the report and gave me
24 feedback.

09:09:39 25 Q. Is Mr. MacMenamin your supervisor?

09:09:40 1 A. No.

2 Q. When you met with Mr. MacMenamin without
3 your attorneys present, did -- what did you
4 discuss?

09:09:55 5 MR. OPPENHEIMER: Objection.

6 I'll instruct you not to answer
7 that. That calls for privileged
8 information.

9 Q. Okay. Is Mr. -- was Mr. MacMenamin
09:10:06 10 retained by your counsel to assist you in this
11 case?

12 MR. OPPENHEIMER: Objection.

13 You can answer if you know.

14 A. I'm not sure about the technicalities.
09:10:23 15 I understand he was retained to assist me.

16 Q. You also mentioned Mr. -- I'm sorry,
17 Vendela Fehrm?

18 A. Vendela Fehrm. It's a she.

19 Q. Vendela Fehrm.

09:10:45 20 And who is Vendela Fehrm?

21 A. She's my colleague -- colleague at
22 Compass Lexecon.

23 Q. What is her title at Compass Lexecon?

24 A. Vice president.

09:11:13 25 Q. Does Ms. La Fehrm assist you with

09:11:16 1 preparing the report you submitted in this case?

2 MR. OPPENHEIMER: Objection.

3 You can answer.

4 A. Ms. Fehrm assisted me with the report.

09:11:27 5 Q. How did Ms. La Fehrm assist you with the
6 report?

7 A. She helped finding certain citations.

8 THE REPORTER: Repeat.

9 A. She helped finding certain citations.

09:11:54 10 Q. Are those citations report -- included
11 in the report you submitted?

12 A. That's correct.

13 Q. Do you recall which citations she helped
14 find for you?

09:12:03 15 MR. OPPENHEIMER: Objection.

16 You can answer that yes or no
17 if you recall.

18 A. To a degree.

19 Q. What do you recall regarding the
09:12:13 20 citations that she assisted you with?

21 MR. OPPENHEIMER: Objection.

22 I instruct you not to answer
23 that.

24 MS. GUERRIER: What is the
09:12:18 25 basis for your objection?

09:12:19 1 MR. OPPENHEIMER: You're
2 asking -- as I understand it, you're
3 asking about the substance of the
4 discussions that she had with her own
09:12:32 5 support team who are Compass Lexecon
6 employees retained by and acting at
7 the direction of counsel. I think
8 that's attorney work product and it's
9 privileged from discovery.

09:12:43 10 MS. GUERRIER: Okay.

11 BY MS. GUERRIER:

12 Q. You also stated you met with attorneys
13 in this case, is that correct?

14 A. That's correct.

09:12:58 15 Q. Who did you meet with?

16 A. Bradley Oppenheimer, Justin Berg, Andrew
17 whose last name I don't remember, Sarah Prostko.

18 Q. Do you recall how many times you met
19 with the attorneys in this case?

09:13:24 20 A. I haven't finished answering.

21 Q. I'm sorry.

22 A. And Jackie Brune, I believe.

23 Q. Can you repeat that, please?

24 A. Jackie Brune.

09:13:41 25 Q. Jackie Brune?

09:13:42 1 A. Yes.

2 Q. Okay. Okay. Did you meet with the
3 individuals that you've identified all together at
4 once?

09:14:01 5 A. I had several meetings. Some of them
6 were at all the meetings; some of them were at
7 only some of the meetings.

8 Q. Do you recall how many sessions you had
9 with the attorneys that you identified to prepare
09:14:11 10 for your deposition?

11 A. I do.

12 Q. How many sessions did you have?

13 A. Three.

14 Q. When was the first session?

09:14:23 15 A. Within the past two weeks.

16 Q. Do you recall the date?

17 A. No.

18 Q. When was the second session?

19 A. Within the past two weeks.

09:14:34 20 Q. Do you recall the date?

21 A. No.

22 Q. When was the third session?

23 A. Yesterday.

24 Q. Were all of the attorneys that you've
09:14:43 25 identified present at yesterday's session to

09:14:47 1 prepare you for your deposition?

2 A. No.

3 Q. Who was present?

4 A. Bradley Oppenheimer and Justin Berg.

09:15:00 5 Q. Do you recall how long the session
6 lasted?

7 A. About two hours.

8 Q. And the session -- the first session
9 that you had with the attorneys in the past two
09:15:14 10 weeks, do you recall how long the first session
11 lasted?

12 A. Yes.

13 Q. How long did the first session last?

14 A. Four hours.

09:15:24 15 Q. Do you recall how long the second
16 session that you had in the past two weeks with
17 your attorneys lasted?

18 A. Yes.

19 Q. How long did the first session last?
09:15:38 20 I'm sorry, the second session that you had with
21 your attorneys in the past two weeks last.

22 A. Three hours.

23 Q. Was anyone who was not an attorney
24 present during any of the sessions that you had
09:15:56 25 with your attorneys?

09:16:00 1 A. Yes.

2 Q. Who was present during the sessions that
3 you had with your attorney?

4 A. In the first two sessions, Niall
09:16:10 5 MacMenamin and Vendela Fehrm were also present.

6 Q. Anyone else?

7 A. No.

8 Q. Other than counsel, did you speak
9 with -- and -- other than counsel and the
09:16:35 10 individuals at Compass Lexecon that you described,
11 did you speak with anyone else about your
12 deposition?

13 A. My family knows I'm at a deposition.

14 Q. Who did you speak with in your family
09:16:54 15 about the deposition?

16 A. My husband and my parents know I'm in a
17 deposition.

18 Q. When did you speak with your husband
19 about the deposition?

09:17:08 20 A. I don't recall.

21 Q. Do you recall what you told your husband
22 about th deposition?

23 MR. OPPENHEIMER: You can
24 answer yes or no.

09:17:14 25 A. Yes.

09:17:14 1 Q. What did you tell your husband about the
2 deposition?

3 A. That I would be --

4 MR. OPPENHEIMER: Objection.

09:17:28 5 I don't think you are obligated
6 to disclose the substance of your
7 communications with your husband.

8 Counsel, maybe we can try
9 laying some foundation as to whether she
09:17:40 10 discussed any --

11 MS. GUERRIER: Well --

12 MR. OPPENHEIMER: --
13 substance relating to the deposition
14 with him before --

09:17:43 15 MS. GUERRIER: -- I'm
16 getting there, but I don't think
17 that's a proper objection. Your
18 objections are to form. I don't know
19 what privilege you're preserve --
09:17:51 20 preserving here.

21 MR. OPPENHEIMER: I believe
22 there's a marital communications
23 privilege between husbands and wives.

24 MS. GUERRIER: Are you
09:17:56 25 claiming the marital priv --

09:18:00 1 privilege here?

2 MR. OPPENHEIMER: I think
3 the witness may choose to claim that
4 if she wishes.

09:18:06 5 MS. GUERRIER: Do you
6 represent her personally?

7 MR. OPPENHEIMER: I'm here
8 representing Ripple Labs.

9 MS. GUERRIER: Right. So
09:18:09 10 how are you -- okay. So you -- you
11 cannot object to her own marital
12 privilege if she does choose to claim
13 it or not.

14 BY MS. GUERRIER:

09:18:20 15 Q. So what did you talk to your husband
16 about regarding the deposition?

17 A. I told him I would be deposed.

18 Q. Did you talk to him about the substance
19 of this case?

09:18:31 20 A. No.

21 Q. You also said you spoke with your
22 parents about the case?

23 A. That's correct.

24 Q. What did you tell your parents about the
09:18:39 25 case?

09:18:40 1 A. That I would be deposed.

2 Q. Did you speak about any substantive
3 aspect of the case?

4 A. No.

09:18:46 5 Q. Did you tell them what the case was
6 about?

7 A. No.

8 Q. Did you speak with anyone else other
9 than your family about the case?

09:18:55 10 A. No.

11 MS. GUERRIER: I'm going
12 to -- if you could also pass it down
13 to the court reporter.

14 THE REPORTER: Exhibit 4?

09:19:38 15 MS. GUERRIER: Yes.

16 (Whereupon, exhibit is received
17 and marked SEC Shampanier Deposition
18 Exhibit 4 for identification.)

19 THE REPORTER: Exhibit 4 for
09:19:41 20 identification.

21 BY MS. GUERRIER:

22 Q. I've handed you what's been premarked as
23 Exhibit 4.

24 Do you recognize the document that I've
09:19:47 25 handed you that's been premarked as Exhibit 4?

09:20:24 1 (Pause)

2 A. Yes.

3 Q. What is the document that's been
4 premarked as Exhibit 4?

09:20:29 5 A. This appears to be a copy of my report
6 in this case.

7 Q. Okay. If you could turn to page 34 of
8 the report.

9 Is that your signature on page 34 of the
09:20:54 10 report?

11 A. Yes.

12 Q. Do you recall when you finalized the
13 report?

14 A. November 12th.

09:21:06 15 Q. Do you recall when you started drafting
16 the report?

17 A. Yes.

18 Q. When did you start drafting the report?

19 A. October.

09:21:15 20 Q. Do you recall what date?

21 A. No.

22 Q. Is this the -- Exhibit 4 the only draft
23 of the report?

24 A. No.

09:21:30 25 Q. Okay. How many drafts are there of the

09:21:31 1 report?

2 A. I don't know.

3 Q. Where are the drafts of the report?

4 A. On the Compass Lexecon network.

09:21:52 5 Q. Is the report that you submitted today
6 final?

7 A. It is final but if new information comes
8 in, I reserve the right to change my opinions.

9 Q. Okay. Has any information since you
09:22:08 10 signed this report affected or altered the
11 opinions that are set forth in the report?

12 A. No.

13 Q. Are you ready to testify about the
14 opinions that you're offering in this case?

09:22:25 15 A. Yes.

16 Q. Do you recall when you were retained to
17 provide your expert services in this case?

18 A. Yes.

19 Q. When were you retained?

09:22:51 20 A. October.

21 Q. What year?

22 A. October 2021.

23 Q. Okay. Do you recall who retained you to
24 provide expert services in this case?

09:23:07 25 A. Counsel for Ripple.

09:23:14 1 Q. Do you recall what firm?

2 A. Kellogg Hansen.

3 Q. Okay. Are you just representing -- I'm
4 sorry.

09:23:23 5 Are -- did you submit the report on
6 behalf of Ripple only?

7 MR. OPPENHEIMER: Objection.

8 You can answer.

9 A. That's correct.

09:23:46 10 Q. Did you come to any arrangements with
11 Ripple regarding your fees in this case?

12 MR. OPPENHEIMER: Objection

13 to the form.

14 You can answer.

09:23:57 15 A. I didn't personally discuss my fees with
16 counsel.

17 Q. Well, do you know how much you're
18 charging for your services in this case?

19 A. Compass Lexecon is charging \$975 per

09:24:17 20 hour for my work.

21 Q. Okay. Do you know if you're expected to
22 provide any additional expert services other than
23 the report that you submitted in this case?

24 MR. OPPENHEIMER: Objection

09:24:35 25 to the form.

09:24:42 1 A. I don't know that -- that for sure. I
2 understand that I may testify at trial.

3 Q. Mm-hmm.

4 Do you know if your -- the rate that's
09:25:00 5 being charged for your services will change if
6 you testify at trial?

7 A. I know that.

8 Q. I'm sorry?

9 A. I know whether it will change or not.

09:25:12 10 Q. So what is the answer? Will it change
11 or not?

12 A. It -- it will not change.

13 Q. Do you -- do you know how many billable
14 hours you've spent on this case thus far?

09:25:30 15 A. No.

16 Q. How do you keep your time on this case?

17 A. I enter time usually daily in the system
18 in Compass Lexecon.

19 Q. Do you know what specific work that you
09:25:58 20 billed for in the case?

21 A. Yes, generally.

22 Q. So what -- what specific work have you
23 billed for in this case?

24 MR. OPPENHEIMER: Objection.

09:26:06 25 You can answer as to the types

09:26:09 1 of work you've performed. You should not
2 reveal the substance of any discussions
3 with counsel.

4 A. Reviewing case materials, meetings,
09:26:24 5 drafting report, preparation to deposition. These
6 are the major ones.

7 Q. What are the -- are -- are there other
8 types of work that you've done in the case other
9 than the ones that you just described?

09:26:52 10 A. Not that I recall.

11 Q. Do you have any --

12 THE VIDEOGRAPHER: Go ahead.

13 Q. Do you have any personal relationship
14 with any of -- with the defendants in this case?

09:27:18 15 A. No.

16 Q. Okay. Do you have any financial
17 relationships with the defendants in this case?

18 MR. OPPENHEIMER: Objection.

19 You can answer.

09:27:35 20 A. Compass Lexecon is compensated for my
21 work in this case.

22 Q. Are you familiar with XRP?

23 A. Yes.

24 Q. What is XRP?

09:27:51 25 A. It is --

09:27:51 1 MR. OPPENHEIMER: Objection.

2 You can answer.

3 A. XRP is the digital asset at issue in
4 this case.

09:28:00 5 Q. Do you own any XRP?

6 A. No.

7 Q. Does anyone in your family own any XRP?

8 A. No.

9 Q. Have you bought any XRP?

09:28:17 10 A. No.

11 Q. Have you sold any XRP?

12 A. No.

13 Q. Do you know if Compass Lexecon has
14 received any compensation in XRP?

09:28:40 15 A. I don't know the full extent of Compass
16 Lexecon's compensation, but I would be very
17 surprised if they received any compensation in
18 XRP.

19 Q. Why?

09:28:54 20 A. I've been in economic consulting for 15
21 years and I've never seen anyone being compensated
22 in anything but U.S. dollars or other traditional
23 currencies.

24 Q. Do you recall when you were first
09:29:26 25 contacted to render your expert services in this

09:29:28 1 case?

2 A. October.

3 Q. Do you know how the defendant knew how
4 to contact you in this case?

09:29:43 5 A. No.

6 Q. Was anyone present during this initial
7 contact from the defendant in this case?

8 A. Yes.

9 Q. Who was present at your initial contact
09:30:07 10 with the defendant in this case?

11 A. Just to clarify, by "defendant" I assume
12 you mean counsel. And the person present was
13 Niall MacMenamin.

14 Q. Were you provided with any assignment
09:30:32 15 during the first contact that you had with the
16 defendant in this case?

17 A. Yes.

18 Q. Do you recall what your assignment was
19 in your first contact in this case?

09:30:45 20 A. Yes.

21 Q. What was the assignment?

22 A. To evaluate the expert report of [REDACTED]

23 [REDACTED].

24 Q. Were you asked to render an opinion on
09:31:00 25 this initial contact?

09:31:02 1 MR. OPPENHEIMER: Objection.
2 I think the substance of individual
3 conversations is -- is privileged. I
4 think if you want to ask her what her
09:31:15 5 assignment was, you're welcome to do
6 that; but if you want to ask her the
7 substance of any particular
8 conversation, I'll instruct you not
9 to answer.
09:31:25 10 MS. GUERRIER: First of all,
11 I asked her whether she was asked to
12 render any opinion on the initial
13 contact. Number two, you shouldn't
14 be having any speaking objections.
09:31:35 15 I'm not sure what your objection is,
16 frankly.
17 MR. OPPENHEIMER: It's a
18 privilege objection. I just
19 explained the basis for it. If you'd
09:31:42 20 like me to elaborate, I can.
21 MS. GUERRIER: She can
22 answer yes or no.
23 MR. OPPENHEIMER: Hang on.
24 MS. GUERRIER: So I'll
09:31:58 25 repeat my question unless you have

09:32:00 1 anything else to add.

2 MR. OPPENHEIMER: Go ahead.

3 Why don't you ask your question.

4 BY MS. GUERRIER:

09:32:05 5 Q. Were you asked to render any opinion on
6 the initial contact?

7 MR. OPPENHEIMER: Objection.

8 I'm going to instruct you not
9 to answer that.

09:32:18 10 MS. GUERRIER: What's the
11 basis for your objection?

12 MR. OPPENHEIMER: It's
13 privileged. You're -- you're asking
14 her -- in substance that question
09:32:24 15 asks what the lawyers discussed with
16 her in the initial conversation and,
17 in particular, whether this
18 particular sentence, essentially
19 "Please render an opinion" came up.

09:32:36 20 You're not allowed to ask
21 questions that go --

22 MS. GUERRIER: You don't
23 have to tell me what I'm not allowed
24 to do. Your objection is noted.

09:32:42 25 We'll have that on the record and we

09:32:43 1 can deal with that later.

2 MR. OPPENHEIMER: Counsel,
3 you asked me the basis for the
4 objection. I'm giving you the basis
09:32:47 5 for the objection. It -- it is
6 within the scope of attorney work
7 product to inquire as to the
8 particular conversations the witness
9 had with counsel. I'm not going to
09:32:57 10 allow her to answer that.

11 MS. GUERRIER: Okay. Your
12 objection is noted.

13 BY MS. GUERRIER:

14 Q. Were you provided with any facts about
09:33:02 15 the case at the initial consultation?

16 MR. OPPENHEIMER: Same
17 objection.

18 I instruct you not to answer.

19 Q. Were you provided with any documents
09:33:13 20 about the case at the initial consultation?

21 MR. OPPENHEIMER: Same
22 objection. Same instruction.

23 Q. Did you receive any records for this
24 case when you were retained as an expert?

09:33:31 25 MR. OPPENHEIMER: You can

09:33:36 1 answer.

2 A. What do you mean by "records"?

3 Q. Do you have an understanding what the
4 term "records" means?

09:33:44 5 MR. OPPENHEIMER: Objection.

6 She -- objection to the form.

7 You can answer if you
8 understand.

9 A. It has several meanings.

09:33:51 10 Q. Did you get any documents when you were
11 retained in this case?

12 A. Yes.

13 Q. When did you receive the documents for
14 this case?

09:34:06 15 A. October.

16 Q. From whom did you receive the documents?

17 A. From Niall MacMenamin.

18 Q. Were there any facts that were provided
19 to you by your attorneys that you considered in
09:34:29 20 forming your opinion in this case?

21 A. Can you repeat that, please?

22 Q. Sure.

23 Were there any facts that were provided
24 to you by your attorneys that you considered in
09:34:50 25 forming your opinion in this case?

09:34:59 1 A. No.

2 Q. Okay. Were there any documents that
3 were provided by your attorneys that you
4 considered in forming your opinion in this case?

09:35:17 5 A. I under -- under -- I understand that
6 the documents I received from Niall were provided
7 to him by counsel.

8 Q. Did you consider any of the documents
9 that were provided to you by counsel in forming
09:35:30 10 your opinions?

11 MR. OPPENHEIMER: Objection.

12 You can answer if you know.

13 A. Not directly received.

14 Q. What do you mean by "not directly
09:35:41 15 received"?

16 A. Niall received documents from counsel.
17 I received documents from Niall.

18 Q. Okay. So the documents that ended up in
19 front of you, did you consider any of them in
09:35:53 20 forming your opinion?

21 A. Yes.

22 Q. What documents did you consider in
23 forming your opinions in this case?

24 A. The complaint, Ripple's response to the
09:36:09 25 complaint, Mr. [REDACTED] report, the Howey case.

09:36:29 1 Q. Anything else?

2 A. Nothing else.

3 Q. Were there any assumptions that you
4 relied on in formulating your opinions in this
09:37:00 5 case that were provided to you by counsel?

6 A. No.

7 Q. Did you personally do all the work in
8 support of the report that you submitted in this
9 case?

09:37:25 10 MR. OPPENHEIMER: Objection.

11 A. I had assistance from my team.

12 Q. Who makes up the "team" that you're
13 referring to?

14 A. Niall MacMenamin, Vendela Fehrm. And
09:37:49 15 there might have been -- there was another person
16 who worked directly with Vendela.

17 Q. Who is this other person who worked
18 directly with Vendela Fehrm?

19 A. I don't remember the name.

09:38:03 20 Q. Did you supervise this other person who
21 worked directly with Vendela Fehrm?

22 A. Vendela supervised this other person.

23 Q. Do you recall this other person's title?

24 A. No.

09:38:19 25 Q. Do you know what role this other person

09:38:21 1 played in form -- helping you formulate your
2 opinions in this case?

3 A. Yes.

4 Q. What role did this person play?

09:38:28 5 A. He verified citations.

6 Q. Do you recall which citations he
7 verified?

8 A. All of them or the majority.

9 Q. What did Vendela Fehrm do in support of
09:38:54 10 you -- your work in this case?

11 A. She helped finding certain citations.

12 Q. Did she do anything else?

13 A. She supervised this other person who
14 checked the citations.

09:39:23 15 Q. Is this other person that you're
16 referring to an employee of Compass Lexington --
17 Lexecon?

18 A. He's an employee of Compass Lex --
19 Lexecon.

09:39:38 20 Q. Other than finding certain citations and
21 supervising the person that you can't recall, what
22 else did Vendela Fehrm do?

23 A. Nothing else as I recall.

24 Q. Did you supervise Vendela Fehrm's work?

09:40:03 25 A. Yes.

09:40:04 1 Q. How did you supervise Vendela Fehrm's
2 work?

3 MR. OPPENHEIMER: Objection.

4 You can answer.

09:40:15 5 A. I asked her to look for citations and I
6 asked her to find someone to verify the cita --
7 citations and oversee them.

8 Q. Anything else?

9 A. Not that I recall.

09:40:45 10 Q. What exactly did Niall MacMenamin do in
11 support of your work in this case?

12 MR. OPPENHEIMER: Objection.

13 A. He reviewed the draft and provided me
14 with feedback.

09:41:13 15 Q. Anything else?

16 A. Not that I recall.

17 Q. Were you present when -- at all times
18 when Vendela Fehrm was performing the work that
19 you described in support of your report?

09:41:30 20 A. Present for?

21 Q. Well, where was Vendela Fehrm performing
22 the work that she -- you described that she
23 performed in support of your report?

24 A. These days everybody works from home, so
09:41:43 25 I assume she was working from home. I was working

09:41:47 1 from home.

2 Q. Okay. Well, how did you supervise her
3 work while she was working from home?

4 MR. OPPENHEIMER: Objection.

09:41:59 5 A. We had periodic Zoom calls.

6 Q. Did you have any Zoom calls with the
7 person that you cannot recall who helped your --
8 write your report?

9 MR. OPPENHEIMER: Objection

09:42:16 10 to the form.

11 A. The person whose name I cannot recall
12 did not help write the report. That person
13 verified footnotes and citations. I did not have
14 a Zoom call with that person.

09:42:33 15 Q. Other than Niall MacMen -- MacMenamin,
16 Vernon La Fehrm -- I'm sorry. Let -- Vendela
17 Fehrm and the person that you cannot recall, did
18 anyone else assist you with your report?

19 A. Not that I recall.

09:43:03 20 Q. Did any attorney help you draft your
21 report?

22 MR. OPPENHEIMER: Objection.

23 You can answer.

24 A. Counsel provided feedback.

09:43:21 25 Q. Which counsel provided feedback?

09:43:36 1 A. I don't recall.

2 Q. Is there any part of the report that
3 counsel drafted?

4 A. No.

09:43:45 5 Q. Is there any language in your report
6 that is not yours?

7 A. No.

8 Q. Did anyone check your work other than
9 the people that -- Niall MacMenamin and counsel?

09:44:01 10 MR. OPPENHEIMER: Objection.

11 You can answer.

12 A. The person whose last name or first name
13 I cannot recall verified citations.

14 Q. Did anyone verify any statements that
09:44:24 15 you made in the body of the report?

16 MR. OPPENHEIMER: Objection.

17 A. Can you clarify what you mean?

18 Q. Did anyone review any of the statements
19 that you made in the body of your report?

09:44:40 20 MR. OPPENHEIMER: Objection
21 to the form.

22 You can answer.

23 A. Niall reviewed my report and counsel
24 reviewed my report.

09:44:57 25 Q. Are all the records that you considered

09:44:59 1 in formulating your opinion listed in your report?

2 A. What do you mean by "records"?

3 Q. Everything that you've considered in
4 formulating your opinion, did you list that

09:45:16 5 information in your report?

6 MR. OPPENHEIMER: Objection
7 to form.

8 A. Materials considered are in my Appendix

9 B.

09:45:25 10 Q. Does that include all of the materials
11 that you've considered in formulating your
12 opinion?

13 A. Yes.

14 Q. Okay. Are there materials that you
09:45:40 15 reviewed that were not listed in your report?

16 A. No.

17 Q. Were there any documents that you wanted
18 to review but could not obtain?

19 A. No.

09:46:43 20 Q. What is the Appendix A that you've
21 attached to your report?

22 A. Appendix A is my CV.

23 Q. Okay. Is your CV complete?

24 MR. OPPENHEIMER: Objection.

09:47:03 25 A. Can you clarify what you mean by

09:47:04 1 "complete"?

2 Q. Does -- does your CV contain all of the
3 information that's current regarding your
4 professional position?

09:47:14 5 MR. OPPENHEIMER: Objection
6 to form.

7 A. I have been in economic consulting for
8 over 15 years and prior to that I obtained three
9 degrees. So in this document, which is under ten
09:47:39 10 pages, it would be impossible to list everything
11 that I ever did in my professional career and in
12 my time at school.

13 Q. Okay. Is there any education that
14 you -- that is not listed on your Appendix A?

09:47:58 15 MR. OPPENHEIMER: Objection;
16 form.

17 A. My secondary education is not listed
18 here.

19 Q. What do you mean by "secondary
09:48:08 20 education"?

21 A. High school, middle school, primary
22 school, --

23 Q. Okay.

24 A. -- kindergarten.

09:48:16 25 Q. Any education after high school that's

09:48:18 1 not listed on your CV?

2 MR. OPPENHEIMER: Objection

3 to the form.

4 A. The big ones are listed. There could
09:48:32 5 have been seminars, web -- webinars, lectures that
6 I'm not including, conferences.

7 Q. When was this Appendix A created?

8 A. Sometime between October and November.

9 Q. Did you have another CV prior to the one
09:49:01 10 that's attached to your report as Appendix A?

11 A. I first created a CV in the early 2000s
12 and it's been evolving since.

13 Q. Have you removed anything from the prior
14 CVs that's not included in the CV that you have
09:49:33 15 attached as Appendix A to your report?

16 MR. OPPENHEIMER: Objection

17 to form.

18 A. As I said, my CV is evolving. Some
19 items become more -- I include new items and
09:49:50 20 sometimes I retire something that's irrelevant or
21 just for space or old.

22 Q. What are some of the things that you
23 retired from your CV?

24 A. I had a brief internship back in Russia.
09:50:22 25 Probably prior to 2000. That's no longer in my

09:50:25 1 CV.

2 Q. Where was the internship?

3 A. At -- at a company selling consumer
4 goods. They were participating in an exhibition.

09:50:40 5 I worked at the exhibition.

6 Q. What did you do at the exhibition?

7 A. I presented the products. I sold some
8 products.

9 Q. Anything else that's been retired from
09:50:59 10 your CV?

11 A. There's probably a lot of things as my
12 CV has evolved in the past 20 years.

13 Q. So what else has been retired from your
14 CV?

09:51:15 15 A. I'm sure I would not be able to recall
16 all of them. There was a paper in mathematics
17 that at one point was accepted to a journal that I
18 listed for several years, but as I moved to the
19 United States I had different priorities so I
09:51:39 20 never finished the final touches on the paper and
21 it's never been published.

22 Q. Do you recall the -- the name of the
23 paper in mathematics?

24 A. It had to do with free nonassociative
09:51:53 25 algebras.

09:51:56 1 Q. Is this a paper that you were working
2 on?

3 A. I was working on this paper.

4 Q. Were you employed by a company when you
09:52:05 5 were working on this paper?

6 A. No.

7 MR. OPPENHEIMER: Objection
8 to form.

9 Q. Were you in school when you were working
09:52:14 10 on this paper?

11 A. Yes.

12 Q. What school?

13 A. Moscow State University, and then I
14 might have continued working on it when I was
09:52:23 15 already at the New Economic School. And I might
16 have brought it with me at MIT, but I don't think
17 I worked on that at MIT.

18 Q. Okay. Anything else?

19 A. I wouldn't be able to recall all the
09:52:40 20 changes I've made to my CV within the past 20
21 years.

22 Q. How about within the past ten years?

23 A. Same. I wouldn't be able to recall.

24 Q. Okay. Have you made any changes within
09:52:49 25 the past five years to your CV?

09:52:55 1 A. Yes. It's constantly evolving.

2 Q. So do you recall what changes you've
3 made in the past five years to your CV?

4 A. I can recall examples.

09:53:04 5 Q. Okay. Can you provide the examples?

6 A. Well, one example, I changed jobs this
7 past summer, so I added Compass Lexecon to my CV
8 and changed how I describe my prior employment.

9 Q. How did you change how you describe your
09:53:25 10 prior employment?

11 A. Well, I put a final date to it. Until
12 then it said "2005 to present."

13 Q. Other than those three schools that you
14 listed on your CV, is there anything -- other
09:54:04 15 school missing?

16 MR. OPPENHEIMER: Objection.

17 A. These are my three degrees. While I was
18 at MIT and Sloan School of Management, I also took
19 classes at MIT Economic Department and Harvard
09:54:24 20 Business School and Harvard Psychology Department.
21 Since I started my career, I've gone to several
22 conferences, some of which have educational
23 aspects; webinars, seminars. I don't think those
24 are listed.

09:54:50 25 Q. Anything else that's missing from your

09:54:51 1 CV?

2 MR. OPPENHEIMER: Objection
3 to form.

4 A. Nothing is missing from my CV.

09:54:59 5 Q. Well, anything else that you did not
6 list on your CV?

7 A. I did not list a lot of things that I've
8 done in the past 20 years or so.

9 Q. Other than what we discussed, is there
09:55:09 10 anything else that you did not list on your CV?

11 MR. OPPENHEIMER: Objection.
12 You can answer.

13 A. Well, I could give you more examples.

14 Q. That would be good.

09:55:23 15 A. The section of my CV that's titled
16 "Selective Consulting Experience" lists cases
17 where I supported other experts. And the list
18 here is short relative to all the cases I've done.
19 The majority of them are not listed here.

09:55:54 20 Q. Anything else that's not listed on your
21 CV?

22 MR. OPPENHEIMER: Objection.

23 A. I'm sure there are plenty of other
24 things I've done in the past 20 years that are not
09:56:13 25 listed on my CV. The point of a CV is not to have

09:56:17 1 an exhaustive list of every single little thing
2 I've done.

3 Q. Okay. Well, for the purpose of this
4 deposition, do you recall anything else that's not
09:56:26 5 listed on your CV other than what you just
6 discussed?

7 MR. OPPENHEIMER: Objection
8 to form.

9 A. I'll give you one more example. While I
09:57:00 10 was at the Analysis Group for many years, I
11 participated in teaching a Stata class and --

12 THE REPORTER: Repeat.

13 THE WITNESS: Stata class.

14 A. And for several years I was also the
09:57:17 15 head of the Stata teaching group.

16 Q. You testified that you took classes at
17 the Harvard Business School.

18 Do you recall when you took those
19 classes?

09:58:09 20 A. Yes.

21 Q. When did you take the classes at the
22 Harvard Business School?

23 A. One class I took in 2002 and there might
24 have been one other class, but I don't recall
09:58:24 25 precisely. But all of that would be during my

09:58:29 1 time at MIT.

2 Q. Okay. Do you recall what the subject of
3 the course you took at -- in 2002 at Harvard
4 Business School was?

09:58:40 5 A. Experimental economics.

6 Q. Do you recall the subject of the course
7 in 2004?

8 MR. OPPENHEIMER: Objection
9 to the form.

09:58:52 10 A. I don't think I mentioned anything about
11 2004.

12 Q. Well, let me read back. You said there
13 may have been another class.

14 Do you recall what year you took that
09:59:14 15 other class?

16 A. I'm not sure --

17 Q. Well --

18 A. -- the year or whether there even was
19 another class. I might have taken it without
09:59:22 20 credit. I don't recall the details.

21 Q. You also testified that you took a class
22 at the Harvard Psychology Department, is that
23 correct?

24 A. That's correct.

09:59:39 25 Q. Do you recall what year you took the

09:59:40 1 class at the Harvard Psychology Department?

2 A. I took several classes in Harvard
3 Psychology Department, at least three for credit
4 and some without credit. And that would be
10:00:02 5 probably starting in 2003 and until I graduated
6 from MIT.

7 Q. You testified that you participated in
8 teaching a statistics class -- teaching a class
9 when you were at the Analysis Group, is that
10:00:39 10 correct?

11 MR. OPPENHEIMER: Objection
12 to the form. Mischaracterizes
13 testimony.

14 A. I didn't say that.

10:00:44 15 Q. So what did -- what did you teach when
16 you were at Analysis Group?

17 A. Among other things, Stata.

18 Q. Stata?

19 A. Yes.

10:01:00 20 Q. Can you spell that?

21 A. S-T-A-T-A.

22 Q. What is Stata?

23 A. It's a statistical package to analyze
24 data.

10:01:18 25 Q. Okay. Is there anything else that you

10:01:21 1 taught when you were at Analysis Group?

2 A. Yes.

3 Q. What else?

4 A. Survey and experimental design.

10:01:30 5 THE REPORTER: Repeat.

6 A. Survey and experimental design.

7 Q. Anything else?

8 A. That's possible. I was there for over
9 15 years, but I don't recall anything other big.

10:02:10 10 Q. When did you graduate from the Moscow
11 State University?

12 A. 2001.

13 Q. What degree did you obtain from Moscow
14 State University?

10:02:28 15 A. MS in mathematics.

16 Q. When did you graduate from the New
17 Economic School in Russia?

18 A. 2002.

19 Q. What degree did you obtain from the New
10:02:45 20 Economic School in Russia?

21 A. MA in economics.

22 Q. When did you start attending MIT Sloan
23 School of Management?

24 A. 2002.

10:03:03 25 Q. And when did you obtain your degree from

10:03:06 1 MIT Sloan School of Management?

2 A. 2007.

3 Q. What did you obtain your degree in?

4 A. My diploma says management science, but
10:03:15 5 effectively it's a degree in marketing as I spent
6 over five years in the marketing group.

7 Q. What year did you -- I'm sorry. You did
8 answer that.

9 Were there any breaks between 2002 and
10:03:31 10 2007 that you took in your schooling?

11 MR. OPPENHEIMER: Objection.

12 You can answer.

13 A. No.

14 Q. Are you a member of any professional
10:04:12 15 organization?

16 A. I'm a member of American Marketing
17 Association.

18 Q. How long have you been a member of
19 American Marketing Association?

10:04:31 20 A. Several years.

21 Q. Do you -- do you have a number for the
22 several years?

23 A. No.

24 Q. Is it less than five years?

10:04:41 25 A. I'm not sure.

10:04:53 1 Q. What is the American Marketing
2 Association?

3 A. It's an association of economics and
4 practitioners doing marketing.

10:05:07 5 Q. Is your membership current in the
6 American Marketing Association?

7 A. I believe so.

8 Q. Any other professional associations or
9 organizations that you're a member of?

10:05:31 10 A. No.

11 Q. Have you taken any marketing courses
12 regarding digital assets?

13 A. No.

14 Q. Have you taken any courses regarding
10:06:17 15 digital assets?

16 A. No.

17 Q. Have you received any training in the
18 area of digital assets?

19 A. No.

10:06:43 20 Q. Have you conducted any marketing work in
21 the area of digital assets?

22 A. No.

23 Q. Have you ever taught a class about
24 digital assets?

10:07:02 25 A. No.

10:07:09 1 Q. Have you ever conducted any experiments
2 regarding digital assets?

3 A. No.

4 Q. Have you ever conducted any surveys
10:07:21 5 regarding digital assets?

6 A. No.

7 Q. How long have you been employed at
8 Compass Lexecon?

9 A. I've been employed at Compass Lexecon
10:08:09 10 since this past summer.

11 Q. What is your role at Compass Lexecon?

12 A. Senior vice president.

13 Q. Where did you work prior to this last
14 summer?

10:08:29 15 A. Analysis Group.

16 Q. I'm sorry?

17 A. Analysis Group.

18 Q. Did you start working at Compass Lexecon
19 while you were still working at Analysis Group?

10:08:43 20 A. No.

21 Q. Okay. So in your CV, you listed your
22 experience at Compass Lexecon from 2005 to 2021,
23 is that correct?

24 A. That's a typo. That should be 2021 to
10:09:01 25 present as it says next to "Senior Vice

10:09:03 1 President."

2 Q. Okay. What are your job duties at
3 Compass Lexecon?

4 A. I focus on causal inference, designing
10:09:19 5 and conducting experiments, surveys, analyzing and
6 evaluating experiments and surveys conducted by
7 others, assisting experts or serving myself in an
8 expert role, among other things.

9 Q. What are some of the other things that
10:09:53 10 you do at Compass Lexecon?

11 A. One example is hiring.

12 Q. Anything else?

13 A. Overseeing the work of junior colleagues
14 or more junior colleagues.

10:10:22 15 Q. Anything else?

16 A. It's an economic consulting environment,
17 so the standard economic consulting experience.

18 Q. What's the "standard economic consulting
19 experience"?

10:11:10 20 A. Communicating with clients,
21 communicating with experts, reviewing materials.

22 Q. Anything else?

23 MR. OPPENHEIMER: Objection
24 to the form.

10:11:39 25 A. I'm sure there are other more nuanced

10:11:43 1 tasks that I carry out and it's probably a very
2 long list. Similar as with the CV, I can only
3 give you examples.

4 Q. So can you give some of the examples of
10:11:55 5 the other tasks that you conduct at Compass
6 Lexecon?

7 A. Review of academic literature.

8 THE REPORTER: Repeat.

9 A. Review of academic literature.

10:12:20 10 Q. Anything else?

11 MR. OPPENHEIMER: Objection
12 to form.

13 A. Another example would be review of data.

14 Q. Anything else?

10:12:45 15 A. Another example would be review of
16 documents.

17 Q. Is there anything else?

18 A. There probably is a lot of else.

19 Q. Do you recall what else?

10:13:23 20 A. Assisting lawyers with preparation for
21 depositions, assisting experts with preparation
22 for a deposition, preparing for my own deposition.

23 Q. Any other job duties that you have at
24 Compass Lexecon?

10:14:06 25 A. Drafting my report or assisting others

10:14:09 1 with drafting their reports.

2 Q. Have you discussed all the job duties
3 that you have at Compass Lexecon?

4 A. I'm sure the list is very long and I'm
10:14:23 5 probably missing something, but I've given you
6 plenty of examples.

7 Q. Is there anything that you recall that
8 you have not stated?

9 MR. OPPENHEIMER: Objection

10:14:29 10 to form.

11 A. Zoom calls.

12 Q. Is that a job duty?

13 A. What do you mean by a "duty"?

14 Q. Well, what are you hired to do at
10:15:00 15 Compass Lexecon? That's what I mean by "duty."

16 A. All of those things that I listed and
17 probably more things.

18 Q. Okay. Other than everything that we've
19 discussed including the Zoom calls, is there
10:15:11 20 anything else that you recall and have not stated?

21 MR. OPPENHEIMER: Objection

22 to form.

23 A. I can recall more if you'd like.

24 Q. If you can recall your job duties, if
10:15:32 25 you could state what they are for the record other

10:15:37 1 than what you've already described.

2 A. Reviewing case documents.

3 Q. Have you described all of your job
4 duties at Compass Lexecon?

10:16:15 5 MR. OPPENHEIMER: Objection
6 to form.

7 A. I don't think it's feasible to describe
8 all the duties because it's a very long list and
9 not specifically defined.

10:16:29 10 Q. Well, what else have you not told us
11 about today?

12 MR. OPPENHEIMER: Objection
13 to form.

14 A. I believe I've given you the major
10:16:43 15 things but if you'd like I can try to remember
16 more nuanced details.

17 Q. Well, if you can recall.

18 A. Well, I'm relatively new at Compass
19 Lexecon, so I haven't done all of these -- all of
10:17:13 20 the calling, but I'm pretty sure it will happen
21 soon.

22 Q. Can I --

23 A. For example, being present at someone
24 else's deposition --

10:17:22 25 Q. Can I stop you right there? If you have

10:17:24 1 not -- I'm asking you for the duties that you
2 currently have.

3 A. Right.

4 Q. I -- I -- I'm not asking you about what
10:17:30 5 could happen in the future or not.

6 A. Right. So it is part of my job, but it
7 maybe hasn't happened yet, but I'm sure I'll be
8 present at someone else's deposition eventually.
9 For this case I will be reviewing the transcript
10:17:48 10 for the errata sheet. I will probably do this for
11 other people's depositions in the future. I
12 communicate with survey panels and other vendors
13 who help carrying out surveys and experiments.

14 Q. Okay. Where did you work prior to
10:18:25 15 Compass Lexecon?

16 A. Analysis Group.

17 Q. How long did you work at Analysis Group?

18 A. Be -- between 2005 and 2021. In 2005, I
19 was an intern associate for a summer, and then in
10:18:47 20 2007, I started full time.

21 Q. Okay. Were you an associate between
22 2007 and 2009?

23 A. Yes.

24 Q. Okay. What were your duties as an
10:19:04 25 associate at Analysis Group, Inc.?

10:19:21 1 A. I did a lot of data analysis. I
2 assisted with drafting reports. I taught the
3 Stata class. I probably assisted with depositions
4 or were present at depositions, but I cannot say
10:19:47 5 for sure whether it was while I was still an
6 associate or once I became manager.

7 In many respects the job definition is
8 the same throughout the career in economic
9 consulting. It's the level of responsibility that
10:20:08 10 shifts.

11 Q. Okay. So you became a manager in 2009?

12 A. Yes.

13 Q. How long were you a manager at Analysis
14 Group?

10:20:19 15 A. Until 2015.

16 Q. Did your responsibilities change from
17 the time you were an associate until when you
18 became a manager in 2009?

19 A. The way things work at Analysis Group is
10:20:33 20 that there is really no dramatic shift. Once a
21 person is promoted, they say there that you should
22 already be working at a manager level for a year
23 before you are promoted to a manager.

24 But, generally, as one grows there in
10:20:56 25 their career, that means more responsibility, less

10:21:02 1 day-to-day activities such as programming and data
2 analysis, more communication with clients and
3 experts and possibly starting as an expert
4 yourself.

10:21:16 5 Q. Okay. You became a vice president at
6 Analysis Group?

7 A. That's correct.

8 Q. When did you become a vice president at
9 Analysis Group?

10:21:25 10 A. 2016.

11 Q. And how long were you a vice president?

12 A. Until 2020.

13 Q. What did you do at Analysis Group after
14 2020?

10:21:36 15 A. I was a consultant.

16 Q. What were your duties as a consultant?

17 A. Largely similar to my duties as vice
18 president. The structure of my compensation
19 changed.

10:22:01 20 THE REPORTER: The structure
21 of the organization?

22 THE WITNESS: Compensation.
23 Of my compensation.

24 Q. Can you describe your duties as a
10:22:06 25 consultant?

10:22:14 1 A. I was an expert on one case. I
2 supported other experts on other cases, assisted
3 with data analysis, drafting reports, with
4 developing rebuttals. In the case where I was the
10:22:34 5 expert, I conducted a conjoined analysis survey
6 and market simulations.

7 Q. Okay. And how long were you a
8 consultant at Analysis Group?

9 A. Until 2021.

10:23:03 10 Q. Did you have any jobs between the time
11 you left Analysis Group and started at Compass
12 Lexecon?

13 A. No.

14 Q. Okay. Going back to your Ph.D. at MIT
10:23:15 15 Sloan School of Management, what was the topic of
16 your dissertation?

17 A. Essays in behavioral decision-making.

18 Q. Okay. Can you describe what your
19 dissertation was about at MIT Sloan School?

10:23:34 20 A. It consisted of three chapters that were
21 largely unrelated streams of research. One stream
22 of research had to do with consumers overvaluing
23 products that are -- that they can get for free
24 and wanting them more than they should from a
10:24:04 25 standard economics perspective.

10:24:10 1 Another stream of research was related
2 to mood regulation. For example, what kind of
3 movie would you see in a good mood or in a bad
4 mood?

10:24:24 5 And the third stream of research had to
6 do with whether wanting and liking are aligned.

7 (Whereupon, exhibit is received
8 and marked SEC Shampanier Deposition
9 Exhibit 5 for identification.)

10:25:23 10 THE REPORTER: Exhibit 5 for
11 identification.

12 BY MS. GUERRIER:

13 Q. Okay. I've handed you what's been
14 marked as Exhibit 5.

10:25:28 15 Do you recognize the document that's
16 been marked as Exhibit 5?

17 A. This appears to be a copy of my
18 dissertation.

19 Q. Okay. Were you examining causal
10:26:19 20 relationships in the subject matter of your
21 dissertation?

22 A. Yes.

23 Q. Can you explain the type of causal
24 relationships you were examining?

10:26:41 25 A. I'll need to refresh my memory.

10:27:23 1 For example, the first essay in my
2 dissertation is entitled "Zero as a Special Price:
3 The True Value of Free Products."

4 The main causal proposition tested in
10:27:36 5 this chapter in my dissertation is whether when
6 consumers are exposed to a free product they
7 reacted in a way that is essentially rational.

8 Q. Are you done?

9 A. This is a very short summary of the
10:28:04 10 first chapter of my dissertation.

11 Q. Were you evaluating perceptions of
12 consumers in your dissertation?

13 A. Can you repeat the question, please?

14 Q. Sure.

10:29:16 15 Were you evaluating perceptions of
16 consumers in your dissertation?

17 A. Yes.

18 Q. Okay. Can you summarize what
19 perceptions you were evaluating in your
10:29:35 20 dissertation with respect to consumers?

21 MR. OPPENHEIMER: Objection
22 to form.

23 A. Participants in the experiment were
24 asked to evaluate how attractive they found
10:30:16 25 certain offers.

10:30:17 1 Q. Okay. So was there a cause-and-effect
2 connection with the perception that you were
3 evaluating?

4 A. Yes.

10:30:25 5 Q. What was the cause-and-effect
6 connection?

7 A. The cause was the presence of a free
8 product.

9 Q. And what was the effect?

10:30:39 10 A. Attitude. Attitude.

11 Q. How did you connect the cause and effect
12 of the perception of the consumer?

13 A. Using an experiment.

14 Q. What type of experiment?

10:31:01 15 A. Randomized control experiments.

16 THE REPORTER: Randomized?

17 THE WITNESS: Control.

18 Q. What's a randomized control experiment?

19 A. In a randomized control experiment, a
10:31:19 20 group of participants is randomly split into two
21 groups. We can call them a test group and a
22 control group. And they go through a similar
23 procedure, but there is a difference and that
24 difference is the cause that we're testing.

10:31:40 25 Then we measure those participants which

10:31:45 1 is a measure of interest to us. And if there is a
2 difference in the outcome between the two groups
3 which is statistically significant, we can
4 conclude -- or at least we cannot reject the
10:32:00 5 hypothesis that there is no impact. So usually --

6 THE REPORTER: There is no?

7 THE WITNESS: Impact.

8 A. So in lay terms that means we conclude
9 that there is a cause and effect.

10:32:20 10 Q. Okay. Would it be possible to evaluate
11 the perception of these consumers without
12 conducting a randomized control experiment?

13 MR. OPPENHEIMER: Objection

14 to form.

10:32:35 15 A. If you simply want to record perceptions
16 without investigating the cause of those
17 perceptions, then we can conduct other studies.

18 Q. What types of other studies can you
19 conduct if you just want to look at perception and
10:32:49 20 not cause and effect?

21 A. For example, a survey.

22 Q. Anything else?

23 A. At the preliminary stage of research,
24 when we want to simply hypothesize of what the
10:33:09 25 perceptions are, we can conduct qualitative

10:33:14 1 studies such as focus groups or phone interviews.

2 Q. Can you explain what qualitative studies
3 are?

4 A. Qualitative studies are studies from
10:33:33 5 which we don't make numeric conclusions such as X
6 percent of people think Y.

7 Q. Is this different from quantitative
8 studies?

9 A. That's correct.

10:33:48 10 Q. What's a quantitative study?

11 A. In quantitative studies, we make
12 quantitative conclusions.

13 Q. What are quantitative conclusions?

14 A. An example would be X percent of
10:34:01 15 purchasers of this yogurt believe that this yogurt
16 is very tasty.

17 Q. Do you need to rely on data to conduct
18 quantitative studies?

19 A. Yes.

10:34:36 20 Q. We'll get back to that.

21 So going back to your CV, did you have
22 any other professional employment that's not
23 listed on your resume or your CV?

24 MR. OPPENHEIMER: Objection

10:34:46 25 to form.

10:35:13 1 A. Not anything major.

2 Q. Do you recall what else you didn't list
3 with regards to your professional employment?

4 MR. OPPENHEIMER: Objection.

10:35:24 5 A. Can you repeat the question, please?

6 Q. I had asked you whether you had any
7 other professional employment that's not listed on
8 your risumi or CV. And you responded "not
9 anything major."

10:35:42 10 So my question is, do you recall what
11 else you didn't list with regard to your
12 professional employment?

13 MR. OPPENHEIMER: Same
14 objection.

10:35:50 15 A. I did not list my minor and very old
16 engagements like the internship and the exhibition
17 I described previously.

18 MS. GUERRIER: Do you want
19 to take a --

10:36:17 20 MR. OPPENHEIMER: Sure.

21 MS. GUERRIER: --
22 ten-minute break?

23 MR. OPPENHEIMER: That's
24 fine.

10:36:20 25 MS. GUERRIER: Okay.

10:36:21 1 THE VIDEOGRAPHER: Okay.
2 Going off the record at 10:36.
3 (Whereupon, a recess is taken.)
4 THE VIDEOGRAPHER: Okay.
10:51:56 5 Back on the record at 10:52.
6 BY MS. GUERRIER:
7 Q. Okay. Did you testify that you have
8 experience conducting quantitative studies?
9 A. I don't know if I testified to that, but
10:52:34 10 I do have experience.
11 Q. Is it, yes, you have experience
12 conducting quantitative studies?
13 A. I have experience conducting
14 quantitative studies.
10:52:55 15 Q. When you've conducted those studies, on
16 occasion, have you observed a statistically
17 significant correlation between two variables?
18 MR. OPPENHEIMER: Objection
19 to form.
10:53:06 20 You can answer.
21 A. I've observed statistically significant
22 effects. I'm not sure specifically if I ever
23 looked at correlations. Most likely I have.
24 Q. So is it most likely you have observed
10:53:35 25 statistically significant correlations?

10:53:37 1 MR. OPPENHEIMER: Objection
2 to form.

3 A. I have observed statistically
4 significant effects. Those could have been
10:53:47 5 correlations, but usually I don't look at
6 correlations.

7 Q. Okay. If you observe a statistically
8 significant correlation, what, if anything,
9 does -- does that observation permit you to
10:54:03 10 conclude regarding cause and effect?

11 MR. OPPENHEIMER: Objection
12 to form.

13 A. There could be a causal relationship or
14 there could be no causal relationship.

10:54:42 15 Q. Can you please elaborate on what you
16 mean by "there could be a causal relationship or
17 there could be no causal relationship"?

18 A. If there is a statistically significant
19 correlation between two variables, it could be
10:54:57 20 because one of them causes the other or it could
21 -- it could be that none of them causes that.

22 Q. I believe you testified that you have
23 observed statistically significant effects, is
24 that correct?

10:55:26 25 A. That's correct.

10:55:27 1 Q. So in such studies, are you able to
2 observe a statistically significant effect between
3 two variables?

4 MR. OPPENHEIMER: Objection
10:55:39 5 to form.

6 A. In an experiment, a statistically
7 significant effect is usually the difference,
8 statistically significant difference, between the
9 outcomes of the test group and the control group.

10:56:04 10 Q. If you observe a statistically
11 significant effect, does that observation permit
12 you to conclude -- make any conclusions regarding
13 cause and effect?

14 MR. OPPENHEIMER: Objection
10:56:16 15 to form.

16 A. If I conduct a randomized controlled
17 experiment and there's a statistically significant
18 difference between the outcomes in the test group
19 and the control group, I can conclude in lay terms
10:56:35 20 that there is a causal effect between the
21 manipulated variable and the outcome.

22 Q. Okay. Do you have an area of expertise?

23 MR. OPPENHEIMER: Objection
24 to form.

10:57:14 25 A. I'm an expert in several areas.

10:57:16 1 Q. What are your areas of expertise?

2 A. Experimental design, survey design,
3 consumer behavior, judgment and decision-making.

4 Q. Do you consider yourself an expert with
10:58:10 5 regards to surveys of digital asset holders?

6 MR. OPPENHEIMER: Objection
7 to form.

8 A. I consider myself an expert in surveys
9 done with -- if I am provided background on
10:58:33 10 digital assets or another product, I can design a
11 reliable survey on that topic. In fact, I have
12 designed numerous surveys or assisted others in
13 designing them and oftentimes the subject matter
14 or the exact product in those cases was relatively
10:59:02 15 new to me or entirely new to me.

16 Q. Have you designed a survey concerning
17 digital assets?

18 A. No.

19 Q. Have you assisted anyone in designing a
10:59:17 20 survey concerning digital assets?

21 A. I believe that's covered by an NDA.

22 Q. Well, I don't need to know the substance
23 of what you've done. I'm asking you if you've
24 actually designed -- assisted anyone in conducting
10:59:37 25 a survey regarding digital assets.

10:59:41 1 A. That's covered by an NDA.

2 Q. You need to answer the question yes or
3 no.

4 A. Can I consult counsel?

10:59:48 5 MR. OPPENHEIMER: Why don't
6 you start with a yes or a no to just
7 whether you've assisted anyone in
8 designing a survey concerning digital
9 assets. We can take each question as
11:00:00 10 we go.

11 A. Yes.

12 Q. Do you recall when you assisted in
13 conducting a survey in -- regarding digital
14 assets?

11:00:15 15 A. Within the last couple of years.

16 Q. Was the survey done in connection with
17 this case?

18 A. No.

19 Q. Was the survey that you assisted with
11:00:58 20 with regard to the digital assets in connection
21 with litigation?

22 A. That's covered by an NDA.

23 Q. You need to answer yes or no.

24 A. Can I consult counsel?

11:01:11 25 MR. OPPENHEIMER: Why don't

11:01:21 1 we go off the record for a minute.

2 MS. GUERRIER: No. The
3 question is still pending. I'm
4 sorry.

11:01:26 5 MR. OPPENHEIMER: Counsel,
6 if she believes she's subject to an
7 NDA, then I'm not sure she can
8 answer. If we go off the record, we
9 can try to sort this out. That's --

11:01:40 10 MS. GUERRIER: Well, I'm not
11 asking her about names. I'm asking
12 her a general question. Was her
13 survey that she assisted with in
14 connection with litigation?

11:01:53 15 MR. OPPENHEIMER: Without
16 the opportunity to discuss that with
17 her, I don't know whether that would
18 be covered by the NDA.

19 MS. GUERRIER: Well, you
11:01:59 20 don't represent her in that capacity
21 so you wouldn't have a role in
22 determining whether or not it's
23 covered by anything.

24 MR. OPPENHEIMER: I'm not
11:02:09 25 sure that's accurate.

11:02:13 1 But if you -- if you understand
2 the question and you think you can answer
3 it as asked, you can go ahead. I think
4 you can answer yes or no.

11:02:18 5 THE WITNESS: Can you repeat
6 the question, please?

7 BY MS. GUERRIER:

8 Q. Was the survey that you assisted with
9 with regard to the digital assets in connection
11:02:27 10 with litigation?

11 A. To the best of my recollection, yes.

12 Q. Did you submit an expert report in
13 connection with the survey that you assisted with
14 with regard to the digital assets?

11:02:45 15 A. If I'm assisting another expert, I do
16 not submit reports.

17 THE REPORTER: I'm sorry,
18 repeat.

19 A. If I assist other experts, I do not
11:02:57 20 submit reports.

21 Q. So is the answer no?

22 A. The answer is no.

23 Q. Did the person you assisted submit an
24 expert report in connection with the survey that
11:03:14 25 was done regarding the digital assets?

11:03:28 1 A. No.

2 Q. Have you listed all of the publications
3 that you have made in the last ten years in your
4 report?

11:04:19 5 A. That's correct.

6 Q. Okay. Do any of the publications that
7 you've listed in your report concern digital
8 assets?

9 A. No.

11:05:03 10 Q. Have you listed all of the cases where
11 you testified at trial in the past four years in
12 your report?

13 MR. OPPENHEIMER: Objection
14 to form.

11:05:13 15 A. Can you repeat the question, please?

16 Q. Have you listed all of the cases where
17 you testified at trial in the past four years in
18 your report?

19 MR. OPPENHEIMER: Same
20 objection.

21 A. I have not testified at trial in the
22 past four years.

23 Q. Okay. Does your report identify all
24 deposition testimony that you gave in the last
11:05:32 25 four years?

11:05:33 1 MR. OPPENHEIMER: Objection

2 to form.

3 A. I did not testify at deposition in the
4 past four years.

11:05:43 5 Q. Did you testify at trial prior to the
6 last four years?

7 A. No.

8 Q. Did you testify at a deposition prior to
9 the last four years?

11:05:52 10 A. Yes.

11 Q. Okay. Is that -- what -- is that what
12 you described earlier in your deposition today?

13 A. Yes, I did.

14 Q. Okay. Any other time that you testified
11:06:07 15 at a deposition prior to the last four years?

16 A. No.

17 Q. Turning to page 36 of your report, what
18 is the "Selected Expert Casework" that you've
19 listed?

11:06:51 20 A. This section of my CV, these cases where
21 I was retained as an expert.

22 Q. In the household chemical advertising
23 class action, were you evaluating causation in
24 that case?

11:07:31 25 A. Yes.

11:07:54 1 Q. Okay. Do you know if your -- the expert
2 declaration that you submitted in the household
3 chemicals false advertising class action was
4 submitted to the court?

11:08:09 5 A. There are two declarations here and I
6 believe they were submitted just like any other
7 declaration.

8 Q. What do you mean?

11:08:27 10 A. I submitted it to counsel. Counsel must
11 have done what counsel usually does with
12 declarations.

13 Q. Do you know for a fact whether this
14 declaration was submitted to the court?

15 MR. OPPENHEIMER: Objection
11:08:36 16 to form.

17 A. I haven't verified, but I believe they
18 did submit it -- them.

19 Q. Did the court in that case accept you as
20 an expert?

11:08:49 21 MR. OPPENHEIMER: Objection
22 to form.

23 A. Could you clarify on that?

24 Q. Do you know if the court accepted your
expert declaration in that case?

11:09:02 25 MR. OPPENHEIMER: Objection

11:09:02 1 to form.

2 A. So regarding the first case, the case
3 settled so I don't know what kind of opinion the
4 court had.

11:09:22 5 Q. Okay.

6 A. And regarding the second case, I believe
7 it's ongoing.

8 Q. When you say "the second case," are you
9 referring to the last sentence where you state
11:09:32 10 that you "conducted similar analysis for a related
11 case..."?

12 A. Yes.

13 Q. Okay. Did that case also involve
14 causation?

11:09:42 15 A. Yes.

16 Q. Okay. So the second item listed under
17 your "Selected Expert Casework," do you recall
18 when you filed an expert report in the beauty
19 products trademark infringement case?

11:10:13 20 A. That was a few years ago.

21 Q. Do you know if the call -- the court
22 accepted the report that you filed in that case?

23 MR. OPPENHEIMER: Objection
24 to form.

11:10:30 25 A. This was a case before the Trademark

11:10:33 1 Trial and Appeal Board of the U.S. Patent and
2 Trademark Office. I don't know if the court was
3 involved.

4 Q. Okay. In the banking false advertising
11:10:51 5 class action, did you prepare an expert report?

6 A. No.

7 Q. Did you prepare an expert report in the
8 fast food employment litigation?

9 A. No.

11:11:21 10 Q. In the Next of Friend Susan Root -- and
11 I'm paraphrasing -- case that's listed, you
12 submitted a rebuttal report?

13 A. That's correct.

14 Q. Did your rebuttal report involve
11:11:39 15 causation?

16 MR. OPPENHEIMER: Objection
17 to form.

18 A. Yes.

19 Q. And you -- were you deposed in that
11:11:57 20 case, the Susan Root case?

21 A. Yes.

22 Q. Do you recall when you were deposed in
23 the Susan Root case?

24 A. 2016.

11:12:09 25 Q. Okay. Is that the deposition that you

11:12:11 1 described earlier?

2 A. Yes.

3 Q. Do you know if the court accepted your
4 rebuttal report?

11:12:19 5 MR. OPPENHEIMER: Objection
6 to form.

7 A. To the best of my recollection, the
8 client won the case in court and the court never
9 ruled on the Daubert motion. So I assume that
11:12:38 10 means that the court accepted it.

11 Q. Well, do you know for a fact if the
12 court accepted your report for this --

13 MR. OPPENHEIMER: Objection
14 to form.

11:12:48 15 A. What specifically do you mean by
16 "accepted"? I know how a court can reject an
17 expert report by Dauberting it. I'm not sure what
18 means "accepting."

19 Q. So was your report subject to a Daubert
11:13:04 20 motion?

21 A. I believe there was a Daubert motion.
22 And to the best of my recollection, the court
23 never ruled on it and ruled on the overall matters
24 in the case in favor of my client.

11:13:15 25 Q. Okay. So there was no ruling on your

11:13:17 1 report?

2 A. To the best of my recollection last time
3 I checked.

4 Q. Okay. Did you submit an expert report
11:13:28 5 in the hospitality business trademark infringement
6 case?

7 A. No.

8 Q. Did -- so you submitted three reports in
9 the electronics false advertising case?

11:13:53 10 A. That's correct.

11 Q. What types of reports did you submit in
12 the electronic false advertising case?

13 A. I opined on the merits of the design of
14 the consumer electronics product test conducted
11:14:08 15 for advertising claims.

16 Q. So was it three reports on the same
17 subject matter?

18 A. Yes.

19 Q. Do you know if your report, any of your
11:14:23 20 reports, that you submitted in the electronics
21 false advertising case were accepted?

22 MR. OPPENHEIMER: Objection
23 to form.

24 A. Accepted by who?

11:14:33 25 Q. Well, was this a litigation?

11:14:37 1 A. This was a case in front of the National
2 Advertising Division of the Council of Better
3 Business Bureaus.

4 Q. Well, do you -- you know if the National
11:14:49 5 Advertising Division of the Council of Better
6 Business Bureaus accepted your report?

7 MR. OPPENHEIMER: Objection
8 to form.

9 A. To the best of my knowledge.

11:15:00 10 Q. So what is the answer?

11 A. I'm not sure what you mean by
12 "accepted." It wasn't rejected.

13 Q. How do you know it wasn't rejected?

14 A. Because I would have been informed.

11:15:12 15 I -- this is to the best of my knowledge, and no
16 one ever informed me that it was rejected, so I
17 have no reason to believe that it was rejected.

18 Q. Did anyone inform you that your report
19 was accepted?

11:15:25 20 MR. OPPENHEIMER: Objection
21 to form.

22 A. I never heard anyone say to anyone that
23 their report was accepted. I understand in -- in
24 a court setting, which I'm not sure this is
11:15:36 25 considered a court setting, there can be a Daubert

11:15:41 1 motion and the court can reject a -- a report.

2 In this particular case, for example, I
3 don't think there was a Daubert motion.

4 Q. Okay. Did anybody tell you anything
11:15:57 5 about the report that you submitted with regard to
6 whether or not the accountant -- the report that
7 you submitted to the Council of Better Business
8 Bureaus was accepted by the Council of Business
9 Bureaus?

11:16:11 10 MR. OPPENHEIMER: Objection
11 to form.

12 A. I don't think anyone used those specific
13 words with me, but my general understanding is
14 this report was not rejected in any form.

11:16:27 15 Q. Did someone tell you that the report was
16 not rejected?

17 MR. OPPENHEIMER: Objection
18 to form.

19 A. I don't recall specifics.

11:16:59 20 Q. Other than the case that you described
21 where your report was -- your rebuttal was subject
22 to a Daubert challenge and you don't know -- that
23 the court did not rule on, have you ever submitted
24 a -- an expert report in any litigation that was
11:17:12 25 subject to a Daubert motion?

11:17:14 1 MR. OPPENHEIMER: Objection
2 to form.

3 A. Regarding the case where there was a
4 Daubert motion, my understanding is that the court
11:17:27 5 did not rule on the motion and ruled on the
6 overall case in favor of my client. There were no
7 other Daubert motions against me as far as I know.

8 Q. Have you ever qualified as an expert in
9 any court?

11:17:48 10 MR. OPPENHEIMER: Objection
11 to form.

12 A. That sounds like a legal statement.

13 Q. Do you know if your report ever -- have
14 you ever submitted a report in any case that was
11:18:08 15 accepted by the court?

16 MR. OPPENHEIMER: Objection
17 to form.

18 A. As I explained, I'm not sure what you
19 mean by "accepted." I know that none of my
11:18:21 20 reports were explicitly rejected by a court.

21 Q. Has a court ruled on any report that
22 you've ever submitted in a litigation?

23 MR. OPPENHEIMER: Objection
24 to form.

11:18:33 25 A. I'm not sure what you mean by the "court

11:18:36 1 ruled" other than in the Daubert motion situation.
2 And in one Daubert motion, I know the court did
3 not rule on that and ruled on the overall case in
4 favor of my client.

11:18:51 5 Q. Do you know if any expert report that
6 you've submitted in any litigation was subject to
7 a motion to strike the report?

8 A. I don't know the difference between
9 Daubert motion and motion to strike.

11:19:07 10 Q. Okay. Have you ever testified as an
11 expert in court?

12 MR. OPPENHEIMER: Objection;
13 asked and answered.

14 A. No.

11:19:16 15 Q. Is the answer no?

16 A. The answer is no.

17 Q. Okay. Moving on to page 37 of your
18 report, the trademark and trade dress infringement
19 matter, did that involve determining causation?

11:19:52 20 A. Yes.

21 Q. Were you testing consumer perception in
22 that case?

23 A. These are numerous cases and all of them
24 involved testing causation and consumer

11:20:11 25 perception.

11:20:13 1 Q. Okay. Did any of these cases in the
2 trademark and trade dress infringement matters
3 involve testing perception only?

4 A. What do you mean by "only"?

11:20:27 5 Q. Without cause and effect.

6 MR. OPPENHEIMER: Objection
7 to form.

8 A. In trademark and trade dress cases, we
9 would want to understand how the trademark at
11:21:01 10 issue impacts consumer perception. So there is
11 always a causal link of interest. I don't recall
12 all the cases, whether one of the experts said --
13 was on the other side maybe did not test the
14 causal link. I don't recall.

11:21:29 15 Q. Is it poss -- I'm sorry. Were you done?

16 A. Standard trademark/trade dress cases all
17 are interested in causal effect of the trademark
18 on consumer perception.

19 Q. Okay. Is it possible to test consumer
11:22:23 20 perception without conducting a quantitative
21 analysis?

22 MR. OPPENHEIMER: Objection
23 to form.

24 A. What do you mean by "test consumer
11:22:39 25 perception"?

11:22:42 1 Q. Can you evaluate consumer perception
2 without conducting a cause-and-effect analysis?

3 MR. OPPENHEIMER: Objection
4 to form.

11:23:00 5 A. If one is interested in consumer
6 perception as -- as it exists currently without
7 any interest in to what caused those perceptions,
8 one can evaluate those perceptions without
9 conducting an experiment.

11:23:43 10 Q. Have you ever evaluated a consumer
11 perception without conducting a causal-and-effect
12 analysis?

13 MR. OPPENHEIMER: Objection
14 to the form.

11:23:56 15 A. Can you rephrase, please?

16 Q. Have you ever evaluated a consumer
17 perception without conducting a causal-and-effect
18 analysis?

19 MR. OPPENHEIMER: Objection
11:24:15 20 to the form.

21 A. Do you mean cause-and-effect analysis?

22 Q. Yes.

23 A. I don't recall specifically. I might
24 have evaluated others' work of this type.

11:25:10 25 Q. In your -- the page 38 of your report

11:25:17 1 where you list the "False Advertising" heading --

2 A. Yes.

3 Q. -- did you conduct a survey in the
4 Kenneth Hobbs v. Brother International Corp. case?

11:25:29 5 MR. OPPENHEIMER: Objection
6 to form.

7 A. Can you repeat the question?

8 Q. On page 38 of your report where you list
9 the "False Advertising" heading, did you conduct a
11:25:49 10 survey in the Kenneth Hobbs v. Brother
11 International Corp. case?

12 MR. OPPENHEIMER: Same
13 objection.

14 A. I supported Professor Joel Steckel.

11:26:03 15 Q. Did he conduct a survey in that case?

16 A. He conducted two surveys.

17 Q. Were those surveys -- did those surveys
18 have to do with cause and effect?

19 A. One of them.

11:26:25 20 Q. I'm sorry?

21 A. One of them.

22 Q. Which one?

23 A. There is a sentence that starts with
24 "The other, a survey/experiment, addressed the
11:26:39 25 materiality of this limitation to consumers. In

11:26:43 1 its order denying class certification, the court
2 cited the experiment involving more than 450
3 people who had purchased or planned to purchase a
4 printer close to the time of the survey, which
11:26:52 5 found that 'consumers chose the Brother printer
6 with nearly identical frequency regardless of
7 whether they were made aware of the unscannable
8 margin at the time of their selection.'"

9 Q. What was the second survey about?

11:27:08 10 MR. OPPENHEIMER: Objection
11 to form.

12 A. The survey that's listed here as the
13 first is described as "One survey evaluated
14 consumer awareness of a printer's alleged
11:27:27 15 malfunctioning."

16 Q. Okay. So did that survey that evaluated
17 the consumer awareness of printer's alleged
18 malfunctioning involve cause and effect?

19 A. No.

11:27:44 20 Q. So what was being evaluated in that
21 survey?

22 A. Awareness.

23 Q. Was this a quantitative survey or a
24 qualitative survey?

11:27:57 25 A. What is a qualitative survey?

11:28:00 1 Q. I don't know. Is there such a thing as
2 a qualitative survey?

3 A. If there is, it's an obscure term.

4 Q. Can you explain what you mean?

11:28:11 5 A. Normally --

6 MR. OPPENHEIMER: Objection.

7 A. -- when one speaks about surveys, it's a
8 quantitative matter.

9 Q. Okay. So was there a qualitative
11:28:20 10 analysis with regards to the first survey?

11 A. There was no qualitative analysis.

12 Q. So what type of analysis was conducted?

13 A. Quantitative.

14 Q. With regards to the E-Retailor false
11:28:44 15 advertising matter, did that case involve
16 cause-and-effect relationships?

17 A. Yes.

18 Q. Okay. And the online services false
19 advertising matter, did that case involve
11:29:01 20 cause-and-effect relationships?

21 A. Yes.

22 Q. In the cigarette false advertising
23 matter, did that case involve cause-and-effect
24 relationships?

11:29:38 25 A. This was a rebuttal. I believe the

11:29:39 1 subject matter involved the causal relationship,
2 but the method proposed by the opposing counsel
3 did not address it properly.

4 THE REPORTER: Address it?

11:29:53 5 THE WITNESS: Properly.

6 Q. Who submitted the rebuttal in the case?

7 MR. OPPENHEIMER: Objection

8 to form.

9 A. The expert is not listed in my CV, which
11:30:06 10 means that information is not public or was not
11 public when I drafted this portion of my CV.

12 Q. Did you submit a rebuttal in that case?

13 A. No. I supported an expert.

14 Q. Do you know whether the rebuttal was the
11:30:30 15 subject of a Daubert motion?

16 A. I don't recall.

17 Q. Under your "Corporate Acquisitions"
18 heading, did the AT&T case involve a causal --
19 cause-and-effect analysis?

11:30:49 20 A. Yes.

21 Q. Okay. And on page 39, the cases you
22 listed under the "Antitrust" heading, did they all
23 involve cause-and-effect relationships?

24 A. Not to the best of my recollection.

11:31:19 25 Q. Okay.

11:31:21 1 A. The cases themselves might -- might have
2 involved causal relationships, but not the parts I
3 worked on.

4 Q. Okay. So which case -- did you perform
11:31:34 5 any cause-and-effect work in the Microsoft
6 antitrust matters?

7 MR. OPPENHEIMER: Objection
8 to form.

9 A. I don't recall the specifics.

11:32:12 10 Q. Did you perform any cause-and-effect
11 work in the credit cards antitrust matter?

12 MR. OPPENHEIMER: Objection
13 to form.

14 A. The opposing expert developed a survey
11:32:40 15 in an experimental form to test causal
16 propositions. The expert I assisted with revised
17 that survey to expose its drawbacks.

18 THE REPORTER: Its?

19 THE WITNESS: Drawbacks.

11:33:02 20 Q. So was your deposition taken in the
21 high-tech antitrust matter?

22 A. I was not an expert in this case and my
23 deposition was not taken.

24 Q. Do you recall what your assignment was
11:34:02 25 in this case?

11:34:03 1 A. Could you repeat that, please?

2 Q. Do you recall what your assignment was
3 in this case?

4 A. Yes.

11:34:13 5 Q. What was your assignment?

6 A. To evaluate the expert report of
7 Mr. [REDACTED].

8 Q. Is there a specific subject matter that
9 you were evaluating with regard to Mr. [REDACTED]
11:34:31 10 report?

11 MR. OPPENHEIMER: Objection
12 to form.

13 A. I am evaluating the entire report.

14 Q. What specifically were you evaluating?

11:34:40 15 MR. OPPENHEIMER: Objection.

16 A. The entire report.

17 Q. Do you recall what subject matter you
18 evaluated in the [REDACTED] report?

19 MR. OPPENHEIMER: Objection;
11:35:16 20 asked and answered.

21 Answer again.

22 A. The entire report.

23 Q. Well, let's go through the report. Let
24 me hand you...

11:35:55 25 THE WITNESS: Can I have one

11:35:55 1 more?

2 MR. OPPENHEIMER: There's
3 two there.

4 THE WITNESS: Oh.

11:36:00 5 (Whereupon, exhibit is received
6 and marked SEC Shampanier Deposition
7 Exhibit 7 for identification.)

8 THE REPORTER: Exhibit 7 for
9 identification.

11:36:03 10 BY MS. GUERRIER:

11 Q. I've handed you what's been marked as
12 Exhibit 7.

13 Do you recognize the document that's
14 been premarked as Exhibit 7?

11:36:32 15 A. Yes. This appears to be Mr. [REDACTED]
16 report but without the appendices.

17 MS. GUERRIER: I'm going to
18 mark this as an exhibit. This is the
19 appendix to Mr. [REDACTED] report.

11:37:29 20 MR. OPPENHEIMER: Do you
21 have additional copies?

22 MS. GUERRIER: I don't. I
23 don't know why this wasn't included
24 in the report.

11:37:55 25 THE REPORTER: What did you

11:37:57 1 want to mark this?

2 MS. GUERRIER: That could be
3 1, Exhibit 1.

4 (Whereupon, exhibit is received
11:38:27 5 and marked SEC Shampanier Deposition
6 Exhibit 1 for identification.)

7 THE REPORTER: Exhibit 1 for
8 identification.

9 BY MS. GUERRIER:

11:38:30 10 Q. Okay. Are you providing any rebuttal
11 regarding the summary of findings in [REDACTED]
12 report which starts on page 6 of the report?

13 A. Just for the record, we still don't have
14 the full report. Exhibit 1 is some of the
11:39:23 15 appendices, I believe.

16 Q. Okay. Right now I'm looking at Exhibit
17 7. That -- the last page where he signed on page
18 49, that's -- I'm looking at that document, not
19 the document marked Exhibit 1. I don't have any
11:39:42 20 questions about Exhibit 1.

21 A. Okay. Exhibit 7 is a partial report of
22 [REDACTED].

23 Q. Okay. Is there a signature page on
24 Exhibit 7?

11:40:07 25 A. There is a signature page.

11:40:09 1 Q. Okay. Who -- who signed it as far as
2 you can see on page 49 of the report?

3 A. [REDACTED].

4 Q. Okay. So going back to page 6 of the
11:40:22 5 report, are you providing any rebuttal regarding
6 the summary of findings outlined in Mr. [REDACTED]
7 report on page 6 --

8 MR. OPPENHEIMER: Objection
9 to form.

11:40:51 10 Q. -- to 8?

11 A. I provide rebuttal to Mr. [REDACTED] entire
12 report.

13 Q. Okay. So what specifically on the
14 summary of findings are you rebutting?

11:41:09 15 A. The entire summary of findings.

16 Q. So what in -- what exactly are you
17 rebutting?

18 MR. OPPENHEIMER: Objection;
19 asked and answered.

11:41:19 20 A. Mr. [REDACTED] report.

21 Q. Are there any facts under the summary of
22 findings that you're rebutting?

23 MR. OPPENHEIMER: Objection
24 to form.

11:41:43 25 A. I'm rebutting the entire summary of

11:41:45 1 findings.

2 Q. Okay. So what -- can you show -- can
3 you let me know exactly in paragraph 8 what you
4 are rebutting?

11:41:52 5 MR. OPPENHEIMER: Objection
6 to form.

7 A. I'm rebutting entire summary of
8 findings, including all of paragraph 8 and 7 and
9 9.

11:42:10 10 Q. Okay. So in paragraph 8, the first
11 sentence, "The design of XRP as a fixed-supply..."
12 You see that sentence?

13 A. I see that sentence.

14 Q. What exactly are you rebutting?

11:42:21 15 MR. OPPENHEIMER: Objection
16 to form.

17 A. This sentence, as well as Mr. [REDACTED]
18 general conclusion in this report, is causal.

19 Q. Okay.

11:42:44 20 A. It says that "Statements made by Ripple
21 were consistent with promoting an investment use
22 case for XRP as well as the design of XRP as a
23 fixed-supply coin." So he is saying that those
24 two items caused investment use case for XRP.

11:43:15 25 Q. So you stated that you're rebutting the

11:43:18 1 first sentence.

2 What -- what are you rebutting in the
3 first sentence?

4 MR. OPPENHEIMER: Objection

11:43:22 5 to form.

6 A. The entire first sentence.

7 Q. So what specifically?

8 MR. OPPENHEIMER: Objection

9 to form; asked and answered.

11:43:28 10 A. The entire first sentence.

11 Q. What -- can you explain what you mean by
12 that?

13 MR. OPPENHEIMER: Objection.

14 You can answer.

11:43:38 15 A. I rebut the entire first sentence.

16 Q. What are you presenting to contradict
17 that sentence?

18 A. This is a causal statement and Mr. [REDACTED]
19 did not use any reliable methodology to test it.

11:43:52 20 Q. Are you rebutting Mr. [REDACTED]
21 methodology or are you rebutting the facts that he
22 used in this paragraph --

23 MR. OPPENHEIMER: Objection

24 to form.

11:44:04 25 Q. -- 8?

11:44:05 1 A. I'm rebutting Mr. [REDACTED] methodology
2 and, as a result, I also rebut his conclusions.

3 Q. So are you rebutting any facts that are
4 stated in this paragraph?

11:44:14 5 MR. OPPENHEIMER: Objection
6 to form.

7 A. Which specific facts are you referring
8 to?

9 Q. I'm asking you.

11:44:23 10 MR. OPPENHEIMER: Objection
11 to form.

12 A. I'm rebutting the entirety of the
13 sentence.

14 Q. Okay. So what -- what critique do you
11:44:30 15 have with the first sentence?

16 MR. OPPENHEIMER: Objection;
17 asked and answered.

18 A. It's a causal statement and Mr. [REDACTED]
19 did not use any reliable methodology to test that
11:44:41 20 causal proposition.

21 Q. What facts are you relying on in support
22 of your rebuttal of the first sentence in
23 paragraph 8?

24 MR. OPPENHEIMER: Objection.

11:44:57 25 A. I rely on the materials listed as

11:44:59 1 materials considered --

2 Q. Can you list the --

3 A. -- in my report.

4 Q. Can you list the specific materials that
11:45:04 5 you're relying on that rebut this first sentence
6 in paragraph 8?

7 MR. OPPENHEIMER: Objection
8 to form.

9 A. Appendix B of my report lists materials
11:45:34 10 I considered. I rely on all of them.

11 Q. Can you point to the materials that
12 you're specifically relying on for your rebuttal
13 of paragraph 8?

14 MR. OPPENHEIMER: Were you
11:45:48 15 done with that last answer?

16 THE WITNESS: Sorry, I
17 didn't hear you.

18 MR. OPPENHEIMER: Were you
19 done with that last answer?

11:45:56 20 THE WITNESS: I was done,
21 yes.

22 MR. OPPENHEIMER: Okay.

23 A. I rely on all of my materials
24 considered.

11:46:01 25 Q. Can you name the materials that you

11:46:02 1 considered in support of your rebuttal of
2 paragraph 8?

3 MR. OPPENHEIMER: Objection;
4 asked and answered.

11:46:14 5 A. I rely on court documents for background
6 and I rely on the remainder of my materials
7 considered to support the appropriate methodology
8 for testing causal proposition.

9 Q. Can you -- I'm sorry, were you done?

11:46:29 10 A. Mr. [REDACTED] did not use a reliable
11 methodology to test his causal propositions.

12 Q. Can you identify by name the specific
13 documents that you're relying on in support of
14 paragraph 8?

11:46:41 15 MR. OPPENHEIMER: Objection;
16 asked and answered for probably the
17 eighth time now.

18 A. As I said, it's the entirety of my
19 materials considered, but I can give you examples.

11:46:57 20 Q. Go ahead, please.

21 A. For example, third item from bottom on
22 page 41 discusses "Experimental and
23 Quasi-Experimental Designs for Generalized Causal
24 Inference." And this book discusses specifically
11:47:31 25 the gold standard of testing causal propositions

11:47:38 1 is an experiment.

2 And I'll actually read what it says.

3 Paragraph -- paragraph 18 on page 10 of my report

4 cites the book of Shadish, Cook and Campbell, the

11:48:17 5 sentence that adds in Footnote 22, and it reads:

6 "Shadish, et al, (2002) also state that

7 'experiments are well-suited to studying causal

8 relationships. No other scientific method

9 regularly matches the characteristics of causal

11:48:41 10 relationships so well.'" "

11 Q. Can you turn to page 3 of Mr. [REDACTED]

12 report?

13 A. Yes, I'm there.

14 Q. Can you please read the first sentence

11:49:10 15 of paragraph 2 of Mr. [REDACTED] assignment?

16 A. Mr. [REDACTED] states "The SEC retained me to

17 independently analyze and render opinions on the

18 perspective of a reasonable purchaser of XRP on

19 Ripple's statements, actions, and product

11:49:29 20 offerings." Footnote 1. I will -- Footnote 1

21 says "I also was retained to provide analysis

22 and/or rebuttal to defendants' expert reports, if

23 and as needed."

24 Q. Does Mr. [REDACTED] state that he was

11:49:51 25 retained to evaluate cause-and-effect

11:49:53 1 relationships between Ripple's statements,
2 actions, and specific outcomes or behaviors?

3 MR. OPPENHEIMER: Objection
4 to form.

11:50:06 5 A. Yes.

6 Q. Does he state that he was retained to
7 evaluate cause and effect?

8 MR. OPPENHEIMER: Objection.

9 A. He's evaluating the perspective of a
11:50:21 10 reasonable purchaser of XRP on Ripple's
11 statements, actions, and product offerings. In
12 other words, he evaluates the impact of
13 statements, actions, and product offerings of
14 Ripple on the perspective of a reasonable
11:50:39 15 purchaser of XRP.

16 Q. Is that your interpretation of this
17 sentence that you -- you read?

18 MR. OPPENHEIMER: Objection
19 to form.

11:50:55 20 A. That is what the sentence states.

21 Q. Does the sentence use the term "cause
22 and effect"?

23 A. The sentence does not use those two
24 words.

11:51:02 25 Q. So where did you come up with the cause

11:51:04 1 and effect in the sentence that you just read?

2 MR. OPPENHEIMER: Objection

3 to form.

4 A. That's the content of the sentence.

11:51:13 5 Q. Is that your interpretation of the
6 sentence?

7 MR. OPPENHEIMER: Objection.

8 A. This is what the sentence states.

9 Q. Is the word "cause" used anywhere in
11:51:32 10 this sentence?

11 MR. OPPENHEIMER: Objection;
12 asked and answered.

13 A. The word "cause" is not used in the
14 sentence.

11:51:38 15 Q. Is the word "effect" used anywhere in
16 this sentence?

17 MR. OPPENHEIMER: Objection;
18 asked and answered.

19 A. The word "effect" is not used in the
11:51:46 20 sentence.

21 Q. Do you have an understanding what the
22 term "perspective" means?

23 A. Yes.

24 Q. What does the term "perspective" mean?

11:51:59 25 A. Perception and behavior.

11:52:07 1 Q. Do you have an understanding of the term
2 "cause"?

3 A. Yes.

4 Q. What does cause mean?

11:52:18 5 A. Impact a fact.

6 Q. I'm sorry?

7 A. Impact a fact.

8 Q. Does the term "perspective" mean the
9 same thing as the term "cause"?

11:52:32 10 A. Perspective is the outcome here.

11 Q. My question is, does the term
12 "perspective" mean the same thing as the term
13 "cause"?

14 A. No.

11:53:11 15 Q. Is the rebuttal that you provided in
16 this case based on applying cause and effect to
17 Ripple's statements and actions?

18 MR. OPPENHEIMER: Objection
19 to form.

11:53:27 20 A. I'm not sure what the sentence means.

21 Q. Did you conduct a cause-and-effect
22 analysis in your rebuttal report?

23 MR. OPPENHEIMER: Objection.

24 A. I evaluated Mr. [REDACTED] "analysis." I
11:53:45 25 did not conduct my own analysis.

11:53:47 1 Q. And when you describe the methodology
2 that you reviewed in your report, are you using a
3 cause-and-effect methodology?

4 MR. OPPENHEIMER: Objection.

11:53:59 5
6 A. I'm using the literature on cause and
7 effect to evaluate Mr. [REDACTED] report which, in
8 paragraph 2, states that he was retained to
9 evaluate the causal proposition.

11:54:22 10 Q. Where does it say that he was retained
11 to evaluate the causal proposition in paragraph 2?

12 MR. OPPENHEIMER: Objection;

13 asked and answered.

14 A. Paragraph 2 has a cause and an effect.
11:54:34 15 The cause is the statement, actions, and product
16 offerings of Ripple; and the effect is the
17 perspective of a reasonable purchaser of XRP.

18 Q. Is that an opinion that you're rendering
19 regarding what paragraph 2 means?

11:54:48 20 MR. OPPENHEIMER: Objection
21 to form.

22 A. That's what the paragraph states.

23 Q. Can you point to the word "cause" in
24 paragraph 2?

11:54:57 25 MR. OPPENHEIMER: Objection;

11:54:58 1 asked and answered.

2 A. There is no word "cause" in paragraph 2.

3 Q. Okay. Turning to page 8 of Mr. [REDACTED]
4 report, "Background," is there anything in the
11:55:52 5 background section that you're providing a
6 rebuttal to?

7 MR. OPPENHEIMER: Objection
8 to form.

9 (Pause)

11:57:49 10 A. Section 3 is called "Background." It's
11 provided in Mr. [REDACTED] report for background.
12 And I rebut his entire report.

13 Q. So what are the facts that you're
14 providing a rebuttal to in paragraph 10?

11:58:10 15 MR. OPPENHEIMER: Objection
16 to form.

17 A. I take the background of this case as
18 given as provided in Mr. [REDACTED] report and the
19 complaint and the answer to the complaint. My
11:58:35 20 opinions are regarding Mr. [REDACTED] conclusions and
21 the unreliable methodology which he reached them
22 with.

23 Q. Okay. I want -- I just want to clarify
24 because you stated earlier that you are rebutting
11:58:49 25 the entire report.

11:58:50 1 So are you rebutting the conclusions and
2 methodology that Mr. [REDACTED] provided or is there
3 anything in addition to the conclusions and
4 methodology that you're rebutting?

11:59:00 5 MR. OPPENHEIMER: Objection
6 to form.

7 A. I'm rebutting the entire report.

8 Q. Okay. So with regard to the background,
9 did you state that you're -- let me -- that you're
11:59:16 10 taking the background as a given?

11 MR. OPPENHEIMER: Objection.

12 A. I don't recall anymore that I stated.
13 What is it that I said?

14 MS. GUERRIER: Could you --

11:59:34 15 THE WITNESS: Could you read
16 my answer, please?

17 MS. GUERRIER: Could you
18 read her answer to the question "So
19 what are the facts that are you
11:59:40 20 providing a rebuttal to in paragraph
21 10?" I think it starts at line 34,
22 10. Her answer starts at line 34,
23 13.

24 (Whereupon, the record was read
12:00:20 25 back.)

12:00:21 1 BY MS. GUERRIER:

2 Q. So can you clarify whether you're
3 rebutting any facts in the background section?

4 MR. OPPENHEIMER: Objection

12:00:27 5 to form.

6 A. I am taking the background as given and
7 I'm rebutting the entire report.

8 Q. Okay. Is there anything in paragraph 10
9 that you disagree with?

12:01:01 10 MR. OPPENHEIMER: Objection

11 to form.

12 (Pause)

13 A. I take this paragraph as given.

14 Q. Is there anything in paragraph 11 that
12:01:48 15 you disagree with?

16 MR. OPPENHEIMER: Objection

17 to form.

18 A. I take paragraph 11 as given.

19 Q. Is there anything in paragraph 12 that
12:02:35 20 you disagree with?

21 MR. OPPENHEIMER: Objection

22 to form.

23 A. I take paragraph 12 as given.

24 Q. Is there anything in paragraph 13 that
12:03:06 25 you disagree with?

12:03:07 1 MR. OPPENHEIMER: Objection
2 to form.

3 A. I take paragraph 13 as given.

4 Q. Moving on to Section 4 of Mr. [REDACTED]
12:03:51 5 report titled "Ripple Platform Overview," is there
6 anything under Section 4, including the
7 subsections 4.1, 4.2, that you disagree with?

8 MR. OPPENHEIMER: Objection
9 to form.

12:05:44 10 (Pause)

11 A. Can you repeat the question, please?

12 Q. The question was "Moving on to Section 4
13 of Mr. [REDACTED] report titled 'Ripple' Plat --

14 THE REPORTER: Platform.

12:08:06 15 Q. -- "'Ripple Platform Overview,' is there
16 anything under Section 4, including the
17 subsections 4.1 and 4.2, that you disagree with?"

18 MR. OPPENHEIMER: Objection
19 to form.

12:08:28 20 A. To the extent that this section
21 describes background facts and history, I take it
22 as given. To the extent that this section
23 describes or implies perspective of a reasonable
24 purchaser of XRP on Ripple's statement, action,
12:08:46 25 product offering, those conclusions are not

12:08:50 1 supported by any valid methodology and, thus, are
2 unreliable.

3 Q. Is there any statement in paragraph 14
4 of Mr. [REDACTED] report where he implies the
12:09:11 5 perspective of a reasonable purchaser of XRP on
6 Ripple's statements, actions, product offerings?

7 (Pause)

8 A. All of these sentences describe Ripple's
9 actions. If there is any implications about how
12:09:56 10 those actions affected prospective purchasers or
11 purchasers, Mr. [REDACTED] did not provide reliable
12 methodology for those implications if they exist
13 here.

14 Q. So were you able to identify
12:10:14 15 specifically where Mr. [REDACTED] makes those
16 implications in paragraph 14?

17 MR. OPPENHEIMER: Objection
18 to form.

19 A. I don't see anything explicit, but if
12:10:33 20 Mr. [REDACTED] implies something, then he has no
21 support for such implications.

22 Q. Well, when you say "if" he implies
23 something, did he, in fact, imply any of the
24 perspective that you describe --

12:10:53 25 MR. OPPENHEIMER: Objection

12:10:53 1 to form.

2 Q. -- in paragraph 14?

3 A. If Mr. [REDACTED] implies here that any of
4 the actions of Ripple that he lists caused certain
12:11:19 5 perspective -- for example, he mentions the
6 public; he implies the public cause and
7 perspective of the actions of Ripple -- then those
8 implications are not supported by a valid
9 methodology.

12:11:35 10 Q. What were you just reading?

11 A. Second sentence of paragraph 14 mentions
12 the public.

13 Q. So what -- what do you take issue with
14 in the second sentence of paragraph 14?

12:11:51 15 MR. OPPENHEIMER: Objection
16 to form.

17 A. If this sentence is used by Mr. [REDACTED] to
18 imply any perspective of the public, even though
19 such a perspective is not stated here explicitly,
12:12:16 20 but if there is such an implication, that
21 implication is not based on any methodology.

22 Q. Can you identify anywhere in the report
23 where there's an implication regarding perspective
24 of XRP purchasers with regard to the second
12:12:29 25 sentence in paragraph 14?

12:12:31 1 MR. OPPENHEIMER: Objection
2 to form.

3 A. Throughout his report, Mr. [REDACTED]
4 discusses numerous cases of the public
12:12:44 5 perspective; specifically, the perspective of the
6 purchasers or prospective purchasers of XRP.

7 Q. Okay. Is there any statement about
8 perspective in the second sentence of paragraph
9 14?

12:13:00 10 A. The word "perspective" is not in the
11 second paragraph.

12 Q. Do you disagree with the statement that
13 "In 2012, the XRP blockchain was released to the
14 public and went live for the first time with a
12:13:11 15 maximum supply of 100 billion XRP created"?

16 MR. OPPENHEIMER: Objection
17 to form.

18 A. I take it as given.

19 Q. Okay.

12:13:23 20 A. I'm not opining here on the history or
21 mechanics of XRP or Ripple.

22 Q. Is there anything in paragraph 15 that
23 you disagree with?

24 MR. OPPENHEIMER: Objection,
12:13:36 25 form.

12:13:45 1 A. The first sentence says "In the early
2 years, Ripple released products geared towards
3 prospective individual users and traders."

4 If there is an implication here of how
12:13:58 5 the prospective purchasers end up -- what they
6 ended up doing with XRP or this other products
7 that Ripple released, if there is such an
8 implication here, then it's not supported by any
9 reliable methodology.

12:14:16 10 Q. Is there such an implication, in fact,
11 in paragraph 15?

12 MR. OPPENHEIMER: Objection
13 to form.

14 A. To the extent that they reach such an
12:14:46 15 implication and if there is such an implication,
16 it's not supported by any reliable methodology.

17 Q. Well, what do you mean "to the extent"
18 that there is such ampli -- implication?

19 A. If Mr. [REDACTED] implies here that
12:15:07 20 prospective purchasers of Ripple products engaged
21 in certain activities with those products after
22 the purchase, there is no systematic analysis of
23 what those individuals did.

24 Q. Do you disagree with the -- the
12:15:33 25 statement that "Ripple released products geared

12:15:37 1 towards prospective individual users and traders"?

2 MR. OPPENHEIMER: Objection

3 to form.

4 A. To the extent that it describes
12:15:55 5 historical -- history of XRP and Ripple, I take it
6 as given. If there is any implication about the
7 perspective of purchasers and how it was caused by
8 actions, statements, and offerings of Ripple,
9 Mr. [REDACTED] did not provide a reliable methodology
12:16:18 10 to support such statements.

11 Q. Do you disagree with the second -- the
12 facts in the second sentence in paragraph 15?

13 MR. OPPENHEIMER: Objection

14 to form.

12:16:52 15 A. To the extent this sentence describes
16 the history of XRP and Ripple, I take it as given.
17 To the extent there is an implication of what
18 individuals did with this app, there is no
19 systematic analysis.

12:17:13 20 Q. Do you disagree with the next
21 sentence -- the facts contained in the next
22 sentence following the third sentence in paragraph
23 15?

24 MR. OPPENHEIMER: Objection

12:17:22 25 to form.

12:17:38 1 A. I'm not offering any opinions on the
2 history or mechanics of XRP or Ripple's other
3 products. To the extent that the statements --
4 any statements in this report imply a causal
12:17:56 5 relationship between XRP -- between Ripple's
6 statements, actions, and offerings and perspective
7 of purchasers and potential purchasers, Mr. [REDACTED]
8 did not offer a reliable methodology to evaluate
9 such a causal relationship.

12:18:18 10 THE REPORTER: Did not offer
11 a reliable?

12 THE WITNESS: Methodology to
13 evaluate such a causal relationship.

14 Q. Can you -- I'm sorry.

12:18:33 15 Can you identify any statement in
16 paragraph 15 that implies a causal relationship
17 between XRP, Ripple's statements, actions, and
18 offerings and the perspective of purchasers and
19 potential purchasers of XRP?

12:18:45 20 MR. OPPENHEIMER: Objection
21 to form.

22 A. There may be an implied relationship
23 here between the upgrades and the branding on the
24 one hand and trading becoming number one use case.

12:19:33 25 THE REPORTER: Number one?

12:19:35 1 THE WITNESS: Use case.

2 Q. How is there an implied relationship
3 between the upgrades and the branding and on --
4 and the trading becoming number one --

12:19:44 5 MR. OPPENHEIMER: Objection
6 to form.

7 Q. -- on use case of Ripple?

8 A. The sentence read -- reads "After
9 several upgrades, Ripple Client was rebranded in
12:19:59 10 2014 as Ripple Trade, with Ripple recognizing that
11 'Trading has rapidly become the number one use
12 case of Ripple.'"

13 Q. Okay. So where is the implication of
14 the relationship between the upgrade and the
12:20:16 15 branding?

16 MR. OPPENHEIMER: Objection;
17 asked and answered.

18 A. The implication is in the sentence.

19 Q. Okay. So do you disagree that Ripple
12:20:37 20 Client was rebranded in 2014 as Ripple Trade?

21 MR. OPPENHEIMER: Objection
22 to form.

23 A. I'll answer the question, but maybe we
24 can take a break soon.

12:20:56 25 Q. Yeah, you can -- yes. I'll finish with

12:20:58 1 this section and we can take a break.

2 A. Can you repeat the last question,
3 please?

4 Q. Do you disagree that Ripple Client was
12:21:12 5 rebranded in 2014 as Ripple Trade?

6 MR. OPPENHEIMER: Objection;
7 form.

8 A. I don't offer any opinions about the
9 history or mechanics of XRP or Ripple and its
12:21:24 10 other products.

11 Q. Okay. Do you disagree with the
12 quotation that "Trading has rapidly become the
13 number one use case of Ripple," which includes the
14 footnote citation in Footnote 8?

12:21:40 15 MR. OPPENHEIMER: Objection
16 to form.

17 A. I don't offer any opinions regarding the
18 history of Ripple or the veracity of statements
19 cited in -- cited -- cited in the report of
12:22:00 20 Mr. [REDACTED].

21 Q. Okay. So is this your position with
22 regard to the last sentence in paragraph 15?

23 MR. OPPENHEIMER: Objection
24 to form.

12:22:32 25 A. I'm not offering any opinions about the

12:22:34 1 history of Ripple or XRP.

2 Q. Okay. Thank you.

3 MS. GUERRIER: I think this

4 is a good time for a break. We can

12:22:45 5 go off the record.

6 THE VIDEOGRAPHER: Okay.

7 Going off the record at 12:22.

8 (Whereupon, a luncheon recess

9 is taken.)

12:22:51 10

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12:22:51 1 A F T E R N O O N S E S S I O N
2 (Record notes the appearance of
3 Attorney Lisa Zornberg and Attorney
4 Justin Berg at this time.)
13:06:56 5 THE VIDEOGRAPHER: Okay.
6 Back on the record at 1:07.
7 BY MS. GUERRIER:
8 Q. Okay. Doctor, if you could turn to page
9 11 of Mr. [REDACTED] report.
13:07:28 10 Are you providing any rebuttal to any of
11 the statements in paragraph 16 of Mr. [REDACTED]
12 report?
13 MR. OPPENHEIMER: Objection
14 to the form.
13:08:22 15 A. I don't offer any opinions with respect
16 to the history of Ripple. To the extent any of
17 the statements have other implications, Mr. [REDACTED]
18 has not supported them with a reliable
19 methodology.
13:08:40 20 Q. Can you identify any statements in
21 paragraph 16 that have causal implications?
22 MR. OPPENHEIMER: Objection
23 to form.
24 A. The sentence that states "Next, the
13:09:09 25 RippleNet Committee was announced, laying the

13:09:12 1 foundation for various products geared towards
2 global payment problems," this sentence might have
3 an implication of how the announcement of
4 RippleNet Committee impacted perceptions of
13:09:30 5 potential Ripple clients and Ripple clients.

6 Q. Is that your interpretation of this
7 sentence that you just read?

8 MR. OPPENHEIMER: Objection;
9 form.

13:09:48 10 A. This is what the state -- this is what
11 the sentence says.

12 Q. Did you check Footnote 12 to determine
13 whether or not that sentence could be verified?

14 A. Did I specifically click on the URL in
13:10:11 15 Footnote 12? I don't recall.

16 Q. So how does this sentence have an
17 implication of how the announcement of RippleNet
18 Committee impacted perceptions of potential Ripple
19 clients and Ripple -- Ripple clients?

13:10:35 20 MR. OPPENHEIMER: Objection
21 to form.

22 A. The statement -- the sentence mentions
23 that the committee was announced and then it says
24 that that laid a "foundation for various products
13:11:02 25 geared toward global payments problems." The

13:11:05 1 impli -- possible implication here is that the
2 future users of RippleNet Committee or any
3 associated products took something away from the
4 announcement as relating to the global payment
13:11:26 5 problem.

6 Q. Does Mr. [REDACTED], in his report, state --
7 make the implication that the users of RippleNet
8 Committee or any associated products took
9 something away from the announce -- announcement,
13:11:42 10 announcement as relating to the global payments
11 problem?

12 MR. OPPENHEIMER: Objection
13 to form.

14 A. That's a possible implication. There
13:11:51 15 are numerous places in Mr. [REDACTED] report where he
16 makes a specific connection between statements and
17 perceptions. I'm looking for an example.

18 For example, in my report, in Appendix
19 C, in the row of the table that starts with number
13:12:33 20 85, which is a reference to Mr. [REDACTED] report
21 paragraph, the last sentence says "Indeed, the use
22 of terms such as 'traction,' 'market fit,' 'total
23 addressable market,' and even 'investors' when
24 describing Ripple's progress and growth" -- "and
13:12:50 25 growth potential are words typically understood by

13:12:53 1 market participants to mean that they should be
2 buying XRP as a potentially profitable
3 investment."

4 So this specifically discusses that
13:13:03 5 certain words used by Ripple are predicted by
6 Mr. [REDACTED] to have an effect on market partic --
7 market participants and, in particular, on the
8 understanding or perception of the market
9 participants.

13:13:26 10 Q. Well, can you identify where Mr. [REDACTED]
11 connects the RippleNet Committee that was
12 announced laying a foundation for various products
13 geared towards global payments problems to the
14 perception of XRP purchases?

13:13:45 15 MR. OPPENHEIMER: Objection
16 to form.

17 A. I don't say that he connected to the
18 perception of XRP purchasers, but he mentions the
19 announcement and he stated that it's laid a
13:14:02 20 foundation for various products geared towards
21 global payment problems.

22 Laying a foundation is potentially a
23 causal proposition. There might be a causal
24 inference implied here by Mr. [REDACTED].

13:14:26 25 THE REPORTER: By?

13:14:26 1 THE WITNESS: Mr. [REDACTED].

2 Q. Do you know whether Ripple, in the
3 Footnote 12, the URL, made the statement that
4 Mr. [REDACTED] included in his report in the sentence
13:14:38 5 that we're discussing?

6 MR. OPPENHEIMER: Objection
7 to form.

8 A. Mr. [REDACTED] does not use direct quotes.
9 Whether the substance of the sentence feeds the
13:14:50 10 source, I don't recall if I checked.

11 Q. So you -- do you recall -- I'm sorry,
12 did you testify you don't recall if you checked to
13 see if the sentence is included in the URL that's
14 on -- in Footnote 12?

13:15:09 15 A. I --

16 MR. OPPENHEIMER: Objection.

17 A. It's unlikely that this exact sentence
18 is included in the source because Mr. [REDACTED] does
19 not use quotation marks. I did not check -- or I
13:15:19 20 don't recall whether I checked whether the
21 substance of the sentence reflects the source.

22 Q. So assume that the statement is included
23 in "Our Story" link at Footnote 12, would that
24 change your opinion regarding the so-called
13:15:45 25 implications that you claim Mr. [REDACTED] made with

13:15:49 1 respect to this sentence?

2 MR. OPPENHEIMER: Objection
3 to form.

4 A. You're saying Mr. [REDACTED] quoted the
13:16:03 5 sentence without using quotation --

6 Q. Assuming that --

7 A. -- without using a quotation mark?

8 Q. Yeah. Assuming that he did, does that
9 change your statement that Mr. [REDACTED] is making an
13:16:13 10 implication here?

11 MR. OPPENHEIMER: Objection.

12 A. If Mr. [REDACTED] quoting directly someone
13 else, then he's just quoting someone else.

14 Q. So how does that affect your opinion
13:16:28 15 regarding the connection that you testified
16 Mr. [REDACTED] made between this statement and the
17 perspective of XRP purchasers?

18 MR. OPPENHEIMER: Objection;
19 mischaracterizes testimony.

13:16:50 20 A. Can you repeat the question, please?

21 Q. So I'll start with your answer. You
22 stated "If Mr. [REDACTED]'s quoting directly someone
23 else, then he's just quoting someone else."

24 And I asked "So how does that affect
13:17:11 25 your opinion regarding the connection that you

13:17:13 1 testified Mr. [REDACTED] made between this statement
2 and the perspective of XRP purchasers?"

3 MR. OPPENHEIMER: Same
4 objection.

13:17:23 5 A. If Mr. [REDACTED] did not write this
6 sentence, then Mr. [REDACTED] is just using someone
7 else's sentence.

8 Q. How does this affect your opinion
9 regarding the connection between this statement
13:17:40 10 and the perspective of XRP purchasers?

11 MR. OPPENHEIMER: Objection
12 to form.

13 A. If Mr. [REDACTED] quotes without quotation
14 marks someone else's statement, then he is quoting
13:18:06 15 that statement. Whether he put in some additional
16 meaning into it, that you'll have to ask
17 Mr. [REDACTED]. But if it's just someone else's
18 statement quoted here without quotation marks,
19 then that's someone else's statement.

13:18:28 20 Q. Is there anything you're rebutting in
21 paragraph 17 of Mr. [REDACTED] report?

22 MR. OPPENHEIMER: Objection
23 to form.

24 (Pause)

13:19:33 25 A. I don't offer any opinion with respect

13:19:35 1 to the history of XRP or Ripple or ODL. To the
2 extent that Mr. [REDACTED] implies here any causal
3 relationships between action, statements, and
4 offerings of Ripple and perspective -- perspective
13:19:59 5 of a reasonable purchaser or potential purchaser,
6 such implications are unsupported by any valid
7 methodology.

8 Q. Can you identify any statement in
9 paragraph 17 where Mr. [REDACTED] implies a causal
13:20:23 10 relationship between action, statements, and
11 offerings of Ripple and the perspective of a
12 reasonable purchaser of XRP?

13 MR. OPPENHEIMER: Objection
14 to form.

13:20:44 15 A. The state -- the sentence starts by
16 saying "ODL was intended to facilitate
17 cross-border transactions between money
18 transmitters' domestic and foreign accounts," and
19 then it lists three steps.

13:21:03 20 If there is a potential implication here
21 that the presence of ODL indeed facilitated
22 cross-border transactions and that the purchasers
23 or clients perceived it in that way, that
24 statement has not been tested by Mr. [REDACTED]. That
13:21:30 25 implication has not been tested by Mr. [REDACTED].

13:21:38 1 Q. Is there, in fact, the implication that
2 the presence of ODL facilitated cross-border
3 transactions and that the purchasers of ODL
4 proceeded "in that way"?

13:21:54 5 MR. OPPENHEIMER: Objection
6 to form.

7 A. Can you please repeat the question?

8 Q. Is there, in fact, the implication that
9 the presence of ODL facilitated cross-border
13:22:05 10 transactions and that the purchasers of ODL
11 proceeded "in that way" --

12 MR. OPPENHEIMER: Objection.

13 Q. -- in paragraph 17 of Mr. [REDACTED]
14 report?

13:22:16 15 A. I don't think that's what I said.

16 MS. GUERRIER: Could you
17 please read her answer which starts
18 at 7, 10 please.

19 (Whereupon, the record was read
13:23:15 20 back.)

21 THE WITNESS: I believe the
22 word was perceived, not proceeded.

23 BY MS. GUERRIER:

24 Q. So are you prepared to answer the
13:24:15 25 question or would you like me to repeat the

13:24:16 1 question again?

2 MR. OPPENHEIMER: Objection.

3 A. Can you repeat the question again?

4 Q. Yeah.

13:24:20 5 Is there, in fact, the implication that
6 the presence of ODL facilitated cross-border
7 transactions and that the purchasers of ODL
8 perceived it in that way?

9 MR. OPPENHEIMER: Objection

13:24:33 10 to form; asked and answered.

11 A. If there is such an implication, Mr.

12 [REDACTED] did not --

13 THE REPORTER: Repeat.

14 A. If there is such an implication,

13:24:50 15 Mr. [REDACTED] did not test it.

16 Q. Is there such an implication?

17 MR. OPPENHEIMER: Objection

18 to form.

19 A. I'm reading what the sentence states.

13:25:08 20 Q. So is this your interpretation of the
21 sentence that Mr. [REDACTED] wrote in his report in
22 paragraph 17?

23 MR. OPPENHEIMER: Objection.

24 A. There may have been an implication here.

13:25:22 25 Q. Is there -- are you offering any

13:25:24 1 rebuttal to any statement in paragraph 18 of
2 Mr. [REDACTED] report?

3 MR. OPPENHEIMER: Objection
4 to form.

13:25:57 5 A. I don't define the mechanics of ODL.

6 Q. Are you providing any -- any rebuttal to
7 paragraph 19 of Mr. [REDACTED] report?

8 MR. OPPENHEIMER: Objection
9 to form.

13:26:45 10 A. He, Mr. [REDACTED], mentions the promotion of
11 the growth of ODL and he specifically mentions an
12 excerpt from an announcement on the Ripple
13 website. In general, in his report, he eventually
14 links actions and announcements of Ripple with
13:27:16 15 pro -- with the perspective of the purchaser of
16 XRP.

17 To the extent that he plans to do -- or
18 does this elsewhere in the report with this
19 particular statement and this particular
13:27:34 20 promoted -- promotion of the growth, he's -- the
21 causal link has not been established by Mr. [REDACTED]
22 with a reliable methodology.

23 Q. Do you disagree with the statement that
24 Ripple promoted the growth of ODL users and
13:28:09 25 transaction volume?

13:28:10 1 MR. OPPENHEIMER: Objection
2 to form.

3 A. I don't opine on what Ripple did or --

4 THE REPORTER: I'm sorry. I
13:28:19 5 don't what on what Ripple did?

6 THE WITNESS: I don't opine
7 on what Ripple did.

8 Q. Are you providing any opinion on Figure
9 3 referenced in paragraph 19?

13:28:30 10 MR. OPPENHEIMER: Objection
11 to form.

12 A. I don't opine on the mechanics of ODL or
13 Ripple.

14 Q. Are you providing any rebuttal to
13:28:48 15 paragraph 20 of Mr. [REDACTED]'s report?

16 MR. OPPENHEIMER: Objection
17 to form.

18 A. I don't opine on the history of Ripple
19 or MoneyGram.

13:29:51 20 Q. Are you providing any rebuttal to
21 paragraph 21 of Mr. [REDACTED] report?

22 MR. OPPENHEIMER: Objection
23 to form.

24 A. I don't offer any opinions with respect
13:30:30 25 to the history of ODL or MoneyGram.

13:30:39 1 Q. Turning to your report, does paragraph 9
2 contain all of the opinions that you formulated in
3 this case?

4 MR. OPPENHEIMER: Objection
13:30:58 5 to form.

6 A. My opinions are my entire report. This
7 is a summary.

8 Q. Does -- does the summary that you've
9 included in paragraph 9.a through f include
13:31:18 10 summaries of all the opinions that you formulated
11 in this case?

12 MR. OPPENHEIMER: Objection;
13 form.

14 A. All my opinions are my entire report.
13:31:28 15 This is a summary.

16 Q. Well, my question is whether the summary
17 that you've included -- the summaries that you've
18 included in paragraphs 9.a through f include
19 summaries of all the opinions that you formulated
13:31:47 20 in this case.

21 MR. OPPENHEIMER: Objection;
22 asked and answered.

23 A. All my opinions are my entire report.
24 Paragraph 9 is a summary.

13:32:13 25 Q. Are you providing any opinion of whether

13:32:15 1 or not XRP is a security for federal securities
2 laws purposes?

3 A. I'm not offering any legal opinions.

4 Q. So is the question -- I'm sorry.

13:32:32 5 Is the answer no?

6 A. I'm not offering --

7 MR. OPPENHEIMER: Objection
8 to form.

9 A. -- any legal opinions.

13:32:52 10 Q. Okay. Are you offering any factual
11 opinion regarding whether or not XRP is a
12 security?

13 MR. OPPENHEIMER: Objection
14 to the form.

13:33:05 15 A. Could you clarify what you mean by
16 "factual opinion"?

17 Q. Is XRP a security in fact?

18 MR. OPPENHEIMER: Objection
19 to form.

13:33:17 20 A. I'm not offering any legal opinions.

21 Q. Okay. Can you turn to paragraph 15 of
22 your report? And if you could please read
23 paragraph 15 into the record.

24 A. "Mr. [REDACTED] opinions concern the
13:33:42 25 effects that Ripple's 'statements, actions, and

13:33:47 1 product offerings' supposedly had on the
2 'perspectives' of reasonable purchasers of XRP.
3 For example, he opines that actions by Ripple
4 'would create' certain expectations for 'a
13:34:05 5 reasonable purchaser.'" Footnote 20 refers to
6 [REDACTED] report, paragraph 8. "Conclusions of this
7 sort are considered 'causal,' in the sense that he
8 implies that Ripple's 'statements, actions, and
9 product offerings' caused changes in the
13:34:23 10 'perspective of a reasonable purchaser.'"

11 Q. What do you mean by "conclusions of this
12 sort"?

13 A. Conclusions that have a cause and an
14 effect.

13:34:53 15 Q. And you stated that the so-called
16 conclusions are considered causal.

17 Are considered causal by whom?

18 MR. OPPENHEIMER: Objection.

19 A. I did not say "so-called conclusions."

13:35:09 20 Q. That's my term.

21 So the question is: You stated that the
22 so-called conclusions are considered causal.

23 MR. OPPENHEIMER: Objection.

24 Q. So going back to your statement about
13:35:23 25 the conclusions are considered causal, who are

13:35:26 1 they considered causal by?

2 MR. OPPENHEIMER: Objection

3 to form.

4 A. My sentence states "Conclusions of this
13:35:35 5 sort are considered 'causal' in the sense that he
6 implies that Ripple's 'statements, actions, and
7 product offerings caused changes in the
8 'perspective of a reasonable purchaser.'"

9 I might have missed a closing quotation
13:35:52 10 mark after "offerings."

11 So conclusions that have a cause and an
12 effect are causal conclusions. And who considers
13 them causal? That's the academic world and the
14 economic consulting world, the literature in
13:36:20 15 social sciences.

16 Q. So are you providing a legal opinion
17 here in your paragraph 15 about what is considered
18 causal or not?

19 MR. OPPENHEIMER: Objection.

13:36:34 20 A. I'm not offering any legal opinions.

21 Q. Why isn't your statement analyzing
22 Mr. [REDACTED] sentence a legal opinion?

23 MR. OPPENHEIMER: Objection
24 to form.

13:36:53 25 A. I'm not offering any legal opinions.

13:37:24 1 Q. What is your basis for the statement
2 that Mr. [REDACTED] implies that Ripple's statements,
3 actions, and product offerings cause changes in
4 the perspective of a reasonable purchaser?

13:37:37 5 MR. OPPENHEIMER: Objection
6 to form.

7 A. So in paragraph 8 of his report,
8 Mr. [REDACTED] makes numerous causal statements of this
9 sort. For example, he says, in the second
13:38:40 10 sentence, "I conclude that a reasonable purchaser
11 would have had an expectation of future profit
12 derived from the efforts of Ripple." Efforts of
13 Ripple falls under statements, actions, and
14 product offerings. And execution falls under
13:39:01 15 perspective. And reasonable purchaser -- let me
16 restate. Expectations of reasonable purchaser
17 falls under perspective of reasonable purchaser.

18 Next, he says "Specifically, purchasers
19 would have expected or hoped to profit by later
13:39:22 20 reselling their" XIP -- "XRP at a higher price on
21 a secondary market after XRP substantially
22 increased in value." Here he expands on what that
23 perspective or that expectation would be.

24 Later in the paragraph he says "Ripple
13:40:00 25 also promoted a variety of its achievements,

13:40:06 1 initiatives, and strategy that created a
2 well-understood bullish thesis for the price of
3 XRP and encouraged speculative investment flows
4 into the digital asset." Here, Ripple's promotion
13:40:19 5 of a variety of its achievements, initiatives, and
6 strategy is an example of statements, actions, and
7 product offerings.

8 And then the "speculative investment
9 flows into digital assets," that's a perspective.
13:40:43 10 That's the characterization of Mr. [REDACTED] of the
11 perspective of the purchasers because it implies
12 here that they purchased to invest.

13 Next, he states "This promotional
14 activity included advertising new partnerships
13:41:15 15 with financial institutions, highlighting the
16 experience and expertise of Ripple's team members,
17 making public statements about why XRP was poised
18 to increase in price, publishing positive
19 commentary about the future growth trajectory of
13:41:30 20 Ripple's products, and describing the plans for
21 developing the XRP ecosystem." Here Mr. [REDACTED]
22 expands on what statements, actions, and product
23 offerings were.

24 Next, he says "Although Ripple's
13:42:02 25 development of the blockchain and broader XRP

13:42:05 1 ecosystem, along with its promotion of the bull
2 case for buying XRP, would not guarantee a profit,
3 it would create the hope that a purchaser could
4 passively earn profits by owning XRP while Ripple
13:42:19 5 took steps to increase the value of the coin."

6 Here the statements, actions, and product
7 offerings are Ripple's development of the
8 blockchain and broader XRP ecosystem along with
9 its promotion of the bull case for buying XRP.
13:42:44 10 And the perspective is the hope that the purchaser
11 could possibly earn profit by owning XRP while
12 Ripple took steps to increase the value of the
13 coin.

14 Next, he says "In my experience as an
13:43:12 15 investor and close observer of the digital asset
16 space, the statements, actions, background, and
17 competence of the founders and companies that
18 create and support a blockchain project are
19 extremely important to the decision-making
13:43:26 20 process of purchasers of digital assets." Here
21 he expands his causal proposition outside of
22 Ripple and XRP to founders and companies that
23 create and support blockchain projects. And here
24 he refers to that statements, actions, and
13:43:50 25 product offerings of such companies and their

13:43:53 1 founders, and that's the cause. And the effect
2 is the decision-making process of purchasers of
3 digital assets.

4 So pretty much every word in this
13:44:10 5 paragraph is either a -- as -- a discussion of
6 the statements, actions, and product offerings of
7 Ripple and in one case of a broad category of
8 founders and companies. And then -- or it is a
9 discussion of a perspective of a reasonable
13:44:35 10 purchaser or it's a statement that connects the
11 two in a causal statement -- in a causal form.

12 Q. So going back to your statement in the
13 second sentence where you quote Mr. [REDACTED]
14 statement, "I conclude that a reasonable purchaser
13:45:01 15 would have had an expectation of future profit
16 derived from the efforts of Ripple," you stated
17 that "an expectation falls under perspective" --
18 I'm sorry, I think you stated -- "expectations of
19 reasonable purchaser falls under perspective of
13:45:20 20 reasonable purchaser."

21 What do you mean by that?

22 MR. OPPENHEIMER: Objection
23 to form.

24 A. Expectation is the type of a
13:45:31 25 perspective.

13:45:34 1 Q. Is perspective causation?

2 MR. OPPENHEIMER: Objection.

3 A. No. A perspective can be caused by
4 something.

13:45:57 5 Q. Next you say "Specifically, purchasers
6 would have expected or hoped to profit by later
7 reselling their XRP at a higher price on a" second
8 -- "secondary market after XRP substantially
9 increased in value," and then you state "he
13:46:14 10 expands on what that perspective or that
11 expectation would be."

12 Can you explain what you mean here?

13 MR. OPPENHEIMER: Objection
14 to form.

13:46:23 15 A. Mr. [REDACTED] talks about what purchasers
16 would expect when he describes the purchaser's
17 expectations or purchaser's perspective.

18 Q. So the next sentence you highlighted in
19 the paragraph, you state Ripple also promoted a
13:46:54 20 variety of its achievements, initiatives, and
21 strategy that created a well understood bullish
22 thesis for the price of XRP. It encouraged
23 speculative investment into the digital asset.
24 I'm paraphrasing. And you state that Ripple's
13:47:10 25 promotion of a variety of its achievements,

13:47:13 1 initiatives, and strategy is an example of
2 statements, actions, and product offerings.

3 Could you please explain what you mean?

4 MR. OPPENHEIMER: Objection

13:47:21 5 to form.

6 A. Where we initially started the
7 discussion or where you initially started your
8 questioning, this last line of questioning, was
9 the last sentence of my paragraph 15 where I
10 mention Mr. [REDACTED]'s causal -- causal --

11 Mr. [REDACTED]'s -- let me restart.

12 This line of questioning started when
13 you directed me to the last sentence of my
14 paragraph 15. Here I state that Mr. [REDACTED]

13:48:09 15 conclusions are causal because he links what he
16 calls statements, actions, and product offerings
17 of Ripple in a causal manner with what he calls
18 perspective of a reasonable purchaser.

19 I don't remember the exact question you
13:48:27 20 asked me about paragraph 8, but my long answer was
21 to point out which of the pieces in paragraph 8
22 reflect statements, actions, and product
23 offerings, which ones reflect the perspective of
24 reasonable purchasers, and where Mr. [REDACTED] makes a
13:48:51 25 causal link.

13:48:56 1 Q. Okay. So with respect to this statement
2 where you stated that he -- you read into -- from
3 his report that Ripple also promoted a variety of
4 its achievements, initiatives, and strategies. So
13:49:27 5 that -- that would be the last -- before the last
6 sentence in paragraph 8 on page 6.

7 Can you identify the cause and effect in
8 this statement?

9 MR. OPPENHEIMER: Objection

13:49:42 10 to form.

11 A. Ripple's promotion of a variety of its
12 achievements, initiatives, and strategy here
13 serves as a cause. The bullish thesis may be an
14 effect, but more generally the effect is at the
13:50:32 15 end of this paragraph where Mr. [REDACTED] makes a more
16 general conclusion not just about Ripple, but
17 generally about founders and companies. And he
18 says that statements and actions and background
19 and competence of the founders impact or create an
13:51:04 20 -- impact decision-making process of purchasers of
21 digital assets. So the decision-making process of
22 purchasers of digital assets is the outcome.

23 Q. Okay. So going back to the sentence
24 before the last on page 6, is there no effect in
13:51:24 25 that sentence?

13:51:24 1 MR. OPPENHEIMER: Objection
2 to form.

3 A. The well-understood bullish thesis may
4 be an effect in this particular sentence, but the
13:51:44 5 general purpose of this sentence is to list all
6 the actions and statements and product offerings
7 of Ripple that eventually culminated in the end of
8 this paragraph, led to the decision-making
9 process -- or impacted the decision-making process
13:52:00 10 -- process of purchasers of digital assets.

11 Q. How do you know what the general purpose
12 of this single statement is?

13 MR. OPPENHEIMER: Objection.

14 A. I'm taking this paragraph in this report
13:52:18 15 as a whole.

16 Q. So is this your interpretation of the
17 sentence before the last in paragraph 8 of
18 Mr. [REDACTED] report?

19 A. This is what the paragraph states.

13:52:28 20 Q. According to your interpretation --

21 MR. OPPENHEIMER: Objection
22 to form.

23 Q. -- of the paragraph?

24 MR. OPPENHEIMER: Objection
13:52:32 25 to form.

13:52:33 1 A. This is what the paragraph states.

2 Q. Are you equating expectation with
3 causation?

4 MR. OPPENHEIMER: Objection;

13:53:26 5 asked and answered.

6 A. Expectations can be caused by something;
7 but, generally speaking, the word "expectation"
8 and "causation" mean different things.

9 Q. Okay. Are you opining about Mr. [REDACTED]
13:53:43 10 state of mind?

11 A. I'm not offering any psychological
12 evaluation.

13 Q. So how do you know what he implied?

14 MR. OPPENHEIMER: Objection
13:53:56 15 to form.

16 A. I'm reading the text and, in certain
17 places, there appears to be an implication, but
18 generally based on the totality of his report.

19 Q. Were you done with your answer?

13:54:36 20 A. Yes.

21 Q. So if you turn to paragraph 16 of --
22 of -- of your report where you discuss the
23 scientific grounded methodology to assess whether
24 causal relationships "of this sort exist."

13:55:32 25 Can you give us some examples of the

13:55:34 1 scientifically grounded methodology?

2 A. The sentence reads "There are
3 scientifically grounded and reliable methodologies
4 to assess whether causal relationships of this
13:55:46 5 sort exist."

6 My next section is titled "The
7 established, reliable, and supportable method for
8 evaluating causal propositions is the experimental
9 method." And that section describes experiments.

13:56:08 10 THE REPORTER: Describes?

11 THE WITNESS: Experiments.

12 Q. Can you give us some examples of these
13 types of experiments that are used to evaluate
14 causal relationships?

13:56:27 15 A. Well, for example, the 2019 -- and I'm
16 reading from paragraph 18. "The 2019 Sveriges
17 Riksbank Prize in Economic Sciences in Memory of
18 Alfred Nobel (commonly referred to as the 'Nobel
19 Prize' in economics) was awarded to Abhijit
13:56:50 20 Banerjee, Esther Duflo, and Michael Kremer for
21 their use of experiments in the field of
22 developmental economics and, similarly, in 2021,
23 Nobel Prize in Economics was awarded to do David
24 Card, Joshua Angrist, and Guido Imbens for their
13:57:09 25 work related to experiments and

13:57:10 1 quasi-experiments."

2 Q. Is an experiment and survey the same
3 thing scientifically?

4 A. An experiment can be conducted in the
13:57:33 5 survey form, but not necessarily. A survey can be
6 conducted in experimental form, but not
7 necessarily.

8 Q. Are the methodologies described in your
9 report applicable to determining causal
13:57:57 10 relationships?

11 MR. OPPENHEIMER: Objection
12 to form.

13 A. Which methodologies are you referring
14 to?

13:58:04 15 Q. The methodologies you described in your
16 report.

17 MR. OPPENHEIMER: Objection;
18 vague.

19 A. Well, the first sentence in paragraph 18
13:58:14 20 says "The gold standard for testing a causal
21 hypothesis is an experiment." That's the gold
22 standard. Then I discuss experiments.

23 Then in paragraph 28 I say "Other,
24 non-experimental options are also available to
13:58:59 25 evaluate perceptions and expected behavior,

13:59:01 1 although they are less effective in isolating
2 causal effects than the gold standard methodology
3 of conducting an experiment."

4 And then I discuss examples.

13:59:24 5 Q. Does paragraph 26 of your report contain
6 the steps that would be used, in your opinion, to
7 evaluate the perception of a reasonable XRP
8 purchaser?

9 MR. OPPENHEIMER: Objection

13:59:37 10 to form.

11 A. Paragraph 26 describes some elements of
12 how a causal hypothesis that certain statements,
13 actions, and offerings caused perception and
14 perspective of -- or generally the perspective of
14:00:09 15 purchasers and potential purchasers of XRP can be
16 tested.

17 Q. Did you conduct any test in the manner
18 described in paragraph 26 with regard to this
19 case?

14:00:33 20 A. No.

21 Q. Are you providing a rebuttal to
22 Mr. [REDACTED] analysis of the perceptions of XRP
23 purchasers?

24 MR. OPPENHEIMER: Objection

14:00:58 25 to form.

14:01:06 1 A. I don't believe what Mr. [REDACTED] provided
2 is an appropriate or reliable analysis. I do
3 provide rebuttal for his entire report.

4 Q. If you did not conduct any tests in this
14:01:25 5 case, how are you able to rebut Mr. [REDACTED]
6 analysis of XR -- the reasonable expectations of
7 XRP purchasers' perception?

8 I'm sorry, let me repeat the sentence.

9 If you did not conduct any tests in this
14:01:42 10 case, how are you able to rebut Mr. [REDACTED]
11 analysis of the perception of a reasonable XRP
12 purchaser?

13 MR. OPPENHEIMER: Objection

14 to form.

14:02:00 15 A. If you are quoting anything I said
16 previously, I believe I've been using the word
17 "perspective" over "perception" words to an
18 extent.

19 I also wouldn't call what Mr. [REDACTED] did
14:02:14 20 an analysis. Mr. [REDACTED] makes causal conclusions
21 and he did not use a methodology, a reliable
22 methodology, that would allow him to make such
23 conclusions and, as such, his conclusions are
24 invalid.

14:02:48 25 Q. Is the methodology that you described

14:02:49 1 the only manner of evaluating the perception of a
2 reasonable purchaser of XRP?

3 MR. OPPENHEIMER: Objection
4 to form.

14:03:07 5 A. An experiment is a gold standard of
6 evaluating a causal relationship between the
7 actions, statements, and offerings of Ripple and
8 the perspective of purchasers or potential
9 purchasers, including perceptions.

14:03:33 10 Q. Assuming that -- I'm sorry, were you
11 done?

12 A. No.

13 Q. Well, go ahead. You can finish your
14 sentence.

14:03:44 15 A. I'm figuring out my thoughts because I
16 was interrupted.

17 There are, as I discuss in paragraph 28,
18 "Other, nonexperimental options also available to
19 evaluate perceptions and expected behavior" --
14:04:11 20 which is perspective -- "although they're less
21 effective in isolating causal effects than the
22 gold standard methodology of conducting an
23 experiment."

24 I'm done with my answer.

14:04:33 25 Q. Assume that you -- Mr. [REDACTED] is only

14:04:37 1 evaluating perception without cause and effect.
2 Are you familiar with the type of analysis that
3 could be conducted to evaluate perception without
4 cause and effect?

14:04:50 5 MR. OPPENHEIMER: Objection.
6 You can answer.

7 A. With respect to perceptions or beliefs,
8 in paragraph 22 of my report, I explain that the
9 most direct outcome -- the most direct way of
14:05:27 10 measuring such an outcome is through a survey.

11 And then, in paragraph 23, I describe
12 surveys that can be appropriate when the goal is
13 to learn about prevalent opinions -- again,
14 perceptions -- or preferences rather than causal
14:06:01 15 relationships. And there are examples in
16 parentheses.

17 Q. Is the survey the only means of
18 determining perception when you're not looking at
19 cause and effect?

14:06:20 20 A. Surveys are the most direct ways. There
21 are indirect ways of measuring perception.

22 Q. What are the indirect ways of measuring
23 perception?

24 A. For example, a conjoined analysis survey
14:06:43 25 or any other choice experiment can establish the

14:06:52 1 impact of a certain feature of a product on
2 consumer choices. And to the extent that we
3 establish that the feature impacts the choices or
4 doesn't impact the choices, we often can make
14:07:14 5 inference about the underlying perceptions.

6 Q. Can an expert in your field rely on his
7 or her experience to evaluate perception when
8 cause and effect is not at issue?

9 MR. OPPENHEIMER: Objection

14:07:39 10 to form.

11 A. In my field, perceptions are an
12 empirical question.

13 Q. What do you mean by "perceptions are an
14 empirical question"?

14:08:02 15 A. Researchers in my field would want some
16 data or would conduct a study to obtain such data
17 in order to evaluate perceptions.

18 Q. Are you aware of any percept -- consumer
19 perception evaluations that are conducted without
14:08:28 20 scientific data?

21 MR. OPPENHEIMER: Objection

22 to form.

23 A. I've assisted others and, in fact, in
24 rebutting other experts -- and, in fact, I

14:08:57 25 rebutted one such expert other than Mr. [REDACTED] --

14:09:00 1 where nonscientific matters or pure introspection
2 is used. And in all those cases they -- either
3 the expert I supported or myself as the expert
4 held the opinion that that approach is
14:09:22 5 unscientific and meritless and unreliable.

6 Q. Would it surprise you to know that
7 courts in this district that govern this case
8 allow experts to testify about consumer perception
9 without presenting scientific information?

14:09:40 10 MR. OPPENHEIMER: Objection
11 to form.

12 A. I'm not offering any legal opinions.

13 Q. Have you ever heard of experts
14 testifying about consumer perception without
14:09:52 15 offering scientific analysis?

16 MR. OPPENHEIMER: Objection
17 to form.

18 A. I already answered that question.

19 Q. I don't think I asked you if you've ever
14:10:02 20 heard of experts testifying about consumer
21 perception without offering scientific analysis.

22 So can you please answer the question?

23 A. I'll repeat.

24 MR. OPPENHEIMER: Objection.

14:10:12 25 You can answer.

14:10:16 1 A. I rebutted an expert who was offering
2 nonscientific testimony and I supported several
3 experts in rebutting nonscientific testimony with
4 respect to consumer perceptions.

14:10:39 5 Q. In all the cases where you rebutted
6 experts who were providing nonscientific testimony
7 with respect to consumer perception, did you
8 submit a report?

9 MR. OPPENHEIMER: Objection.

14:10:54 10 You can answer.

11 A. I was an expert in one such case. In
12 that case, the expert I rebutted did a little bit
13 more than Mr. [REDACTED] and actually conducted a
14 study. However, she herself admitted it was not
14:11:12 15 scientific. And I submitted a rebuttal report in
16 that case.

17 And in other cases where I supported
18 experts, I did not submit reports, but the experts
19 I supported submitted their own reports.

14:11:31 20 Q. In the case where you submitted a
21 rebuttal report, was your rebuttal report subject
22 to a Daubert challenge?

23 MR. OPPENHEIMER: Objection;
24 asked and answered.

14:11:41 25 A. We discussed the case previously where

14:11:46 1 the court chose not to rule on the Daubert motion
2 and rule on the merits of the case and rule in
3 favor of my client.

4 Q. So is it fair to say you've never
14:11:57 5 presented your expert opinion about the
6 methodology to test consumer perception to a
7 court?

8 MR. OPPENHEIMER: Objection
9 to form.

14:12:10 10 A. Can you repeat the question?

11 Q. Is it fair to say that you've never
12 presented your expert opinion about the mailed --
13 methodology to test consumer perception to a
14 court?

14:12:21 15 MR. OPPENHEIMER: Same
16 objection.

17 A. I don't think it's fair to say this.

18 Q. So have you ever presented your -- an
19 expert opinion about the methodology to test
14:12:36 20 consumer perception to a judge?

21 MR. OPPENHEIMER: Objection
22 to form.

23 A. I have never testified in court. I have
24 submitted reports.

14:13:24 25 Q. Have you conducted any surveys in a case

14:13:26 1 similar to the case before the court?

2 MR. OPPENHEIMER: Objection

3 to form.

4 A. What do you mean, "before the court"?

14:13:40 5 Q. Did you review the complaint in this
6 case?

7 A. I reviewed the complaint in this case.

8 Q. Do you recall the claims against Ripple
9 in this case?

14:14:06 10 A. I cannot restate the entire complaint,
11 but the background section of my report offers a
12 summary of the claims.

13 Q. Okay. So have you conducted a survey
14 with regard to expectation of a reasonable
14:14:23 15 purchaser in a case that's similar to the case
16 that you were asked to submit a report?

17 MR. OPPENHEIMER: Objection

18 to form.

19 A. I have conducted surveys in cases where
14:14:45 20 the subject matter was the impact of certain
21 stimuli on consumer perceptions and behavior,
22 which is similar to this report in this -- and to
23 this case in the sense that Mr. [REDACTED] makes causal
24 propositions about how stimuli impacted the
14:15:13 25 perspective of the purchasers and potential

14:15:15 1 purchasers.

2 Q. Have you submitted a survey in a case
3 where the SEC was the plaintiff in a case?

4 MR. OPPENHEIMER: Objection

14:15:22 5 to form.

6 A. No.

7 Q. I believe you testified that you
8 reviewed the Howey case, is that correct?

9 A. That is correct.

14:15:54 10 Q. Did the Howey case inform your opinions
11 in your -- in the report that you submitted?

12 A. I reviewed it for background.

13 Q. If you could please turn to Appendix C
14 of your report.

14:17:08 15 Could you describe Appendix C to your
16 report?

17 MR. OPPENHEIMER: Objection
18 to the form.

19 You can answer.

14:17:13 20 A. These are examples of Mr. [REDACTED]
21 unsupported causal propositions.

22 Q. How are the statements that you
23 highlighted of Mr. [REDACTED] unsupported?

24 A. These are causal propositions and they
14:17:37 25 are not supported by any reliable methodology that

14:17:42 1 would allow Mr. [REDACTED] to test a causal
2 proposition.

3 Q. Okay. To clarify, when you say "they
4 are not supported," are you limiting your critique
14:17:54 5 to methodology?

6 MR. OPPENHEIMER: Objection
7 to form.

8 A. If you are asking me whether the
9 outcomes of Mr. -- if Mr. [REDACTED] conclusions
14:18:09 10 themselves of the methodology match reality, that
11 could happen by total coincidence, just like a
12 broken clock shows correct time twice a day.

13 But all Mr. [REDACTED] causal propositions,
14 all his conclusions, are not supported by any
14:18:33 15 reliable methodology. So any match between his
16 conclusions and reality would be purely
17 coincidental.

18 Q. Going to the para -- I guess paragraph
19 31 on -- that you've listed on Appendix C, can you
14:18:55 20 identify the cause in this statement?

21 A. Look at the last sentence here. It says
22 "From the perspective of a utility-oriented
23 purchaser, as discussed above, the fixed-supply
24 and variable price model of XRP presents
14:20:10 25 significant disadvantages."

14:20:14 1 The cause here is the fixed-supply
2 variable price model of XRP and the effect is the
3 perspective of a utility-oriented purchaser if
4 such purchaser indeed exists.

14:20:33 5 The previous sentence is more
6 complicated.

7 Q. How so?

8 A. It has multiple causes.

9 Q. Can you identify the causes in the
14:20:53 10 previous sentence?

11 A. Well, it also lists the perspective and
12 that perspective is the effect.

13 THE REPORTER: Is?

14 THE WITNESS: The effect.

14:21:04 15 A. And that perspective is all the
16 investment-oriented purchaser -- purchasers -- it
17 says purchasers -- indeed exist, and the cause is
18 the fixed-supply and variable price models
19 provide -- and variable price models.

14:21:40 20 Q. What is the effect in that sentence?

21 MR. OPPENHEIMER: Objection
22 to form.

23 A. The fact that the perspective of "a
24 reasonable investment-oriented purchasers."

14:21:57 25 Q. And if you go to paragraph 47, that's on

14:22:03 1 the next page of Appendix C, page 44.

2 Can you identify the cause in this
3 statement?

4 A. The cause is the buyback activity. And
14:22:32 5 the effect -- there are two effects: One is the
6 perspective of utility-oriented purchasers if
7 those exist, as stated by Mr. [REDACTED]; and the other
8 is the perception of the investment-oriented
9 purchasers if those exist.

14:22:54 10 Q. The same question for paragraph 48:
11 What is the cause and what is the effect?

12 A. The cause is the manner and mechanism of
13 Ripple's ongoing sales, distribution, escrow, and
14 buybacks of XRP, and the effect is the perspective
14:23:21 15 of the potential investment-oriented purchaser of
16 XRP if said purchaser exists.

17 Q. Same question for paragraph 49: What is
18 the cause and the effect?

19 A. The cause is these heavily promoted
14:23:55 20 sales and distribution mechanisms. The effect is
21 the perspective of the reasonable purchaser of XRP
22 that is exclusively considering the utility use of
23 the coin if such a reasonable purchaser exists.

24 Q. Paragraph 86, can you identify the cause
14:24:22 25 and effect?

14:24:47 1 A. There are several causes here. They're
2 all combined into specific topics. Examples are
3 the liquidity of the digital asset trading
4 platforms it needs to rely on to complete the ODL
14:25:19 5 transaction. And another example is
6 communications about the bull case for the price
7 of XRP. And the effect is the perspective of
8 purchasers of XRP for cross-border payments. I
9 also referred to, I believe, as a money
14:25:44 10 transmitter.

11 Q. Anything else?

12 MR. OPPENHEIMER: Objection
13 to form.

14 A. The causes are also called some of these
14:26:16 15 topics.

16 Q. I'm sorry, what do you mean "the causes
17 are also called some of these topics"?

18 A. Some of these topics is a cause from
19 this paragraph. Mr. [REDACTED] refers to the causes in
14:26:40 20 different ways. He uses the term "some of these
21 topics," and then for some of these topics, he
22 says "specific topics" and he leaves those
23 specific topics and then he has another example
24 about communications.

14:27:37 25 Q. Turning to -- staying with paragraph 86

14:27:41 1 that you -- did Ripple's communications cause a
2 money transmitter to be interested of some of
3 these topics --

4 MR. OPPENHEIMER: Objection.

14:27:49 5 Q. -- or does the interest in certain
6 aspects or lack of interest in other aspects exist
7 prior to the Ripple communication?

8 MR. OPPENHEIMER: Objection

9 to form.

14:28:33 10 A. So Mr. [REDACTED] is saying here that a money
11 transmitter is less interested in Ripple's
12 communications about the bull case for the price
13 of XRP. If there are no such communications, then
14 we cannot measure the interest of -- of the money
14:28:58 15 transmitter in such communications. So it's the
16 communication that causes or doesn't cause or
17 causes less interest on the part of the money
18 transmitter.

19 Q. So assume that a company is a
14:29:28 20 money-transmitting institution and its executives'
21 perspective is that, you know, they like economic
22 incentives such as rebates and volumes -- and
23 volume bonuses.

24 If Ripple announced that it would
14:29:45 25 provide economic incentives in the form of rebates

14:29:48 1 and volume bonuses, would that cause its
2 executives to have a perspective to like the
3 economic incentive or would that perspective have
4 already existed prior to the announcement?

14:30:06 5 MR. OPPENHEIMER: Objection
6 to form.

7 A. While taking this incomplete
8 hypothetical, a company can have a preference for
9 higher profits or smaller costs and high revenues,
14:30:37 10 its actions can be impacted by announcements and
11 other stimuli.

12 THE REPORTER: Other?

13 THE WITNESS: Stimuli.

14 Q. Are you done?

14:30:55 15 A. Yes.

16 Q. Why is the hypothetical incomplete?

17 A. Because it's missing the majority of
18 information that we could potentially have in --
19 in the marketplace.

14:31:22 20 Q. Such as?

21 A. Such as what is the company? What is
22 the product? What is the company that sells the
23 product?

24 Q. Why does that matter?

14:31:39 25 A. What?

14:31:40 1 Q. Why does that matter?

2 A. Because perspective is an empirical
3 matter. We can hypothesize about it from
4 theoretical perspective and from incomplete
14:32:04 5 hypothetical, but ultimately such hypotheses need
6 to be tested empirically.

7 Q. So assume a digital asset investor views
8 it favorably when a wealthy businessperson
9 announces that they will buy a digital asset such
14:32:23 10 as bitcoin. So if a wealthy investor announces
11 that he's buying bitcoin, would the invest -- the
12 hypothetical investor view bitcoin more favorably
13 because of the announcement?

14 MR. OPPENHEIMER: Objection
14:32:42 15 to form.

16 A. It's an incomplete hypothesis.

17 Q. Well, this is the hypothetical. So
18 can -- would the perspective change after the
19 announcement that the wealthy investor will be
14:33:11 20 buying bitcoin?

21 MR. OPPENHEIMER: Objection
22 to form.

23 A. It may change; it may not change. Both
24 cases are possible.

14:33:20 25 Q. Okay.

14:33:20 1 A. It's an empirical question.

2 THE WITNESS: Can we take a
3 break? Should we take break?

4 MS. GUERRIER: Okay. You
14:34:07 5 can take a break.

6 THE VIDEOGRAPHER: Okay.
7 Going off the record at 2:34.

8 (Whereupon, a recess is taken.)

9 THE VIDEOGRAPHER: Okay.

14:49:51 10 Back on the record at 2:49.

11 BY MS. GUERRIER:

12 Q. Are you aware of any survey results
13 related to the perspect -- perspective of a
14 reasonable purchaser on which the SEC -- in which
14:50:18 15 the SEC was a plaintiff?

16 MR. OPPENHEIMER: Objection;
17 form.

18 A. That's covered by NDA.

19 Q. Well, the answer -- you can answer yes
14:50:40 20 or no.

21 A. Yes.

22 Q. Did you review any of those reports in
23 writing the report that you submitted in this
24 case?

14:51:00 25 MR. OPPENHEIMER: Objection

14:51:00 1 to form.

2 You can answer.

3 A. I believe your previous question was not
4 about the report. If it was, I will need to
14:51:15 5 answer differently.

6 Q. I'm sorry, what was that answer?

7 A. In your previous question, I believe you
8 didn't ask about the report. So in your current
9 question, there is no logical link, but maybe I
14:51:39 10 misheard. And if so, I'll change -- I'll respond.

11 Maybe you can go back to the previous question.

12 Q. You want me to ask the question again?

13 A. The --

14 MR. OPPENHEIMER: Counsel,
14:51:49 15 she stated her answer.

16 MS. GUERRIER: I'm -- I'm
17 not -- let me fin -- you know, let
18 her answer the question.

19 MS. JONES: She has answered
14:51:55 20 the question repeatedly.

21 MS. GUERRIER: I'm asking
22 her if she -- you're interrupting for
23 no reason. I'm asking her if she
24 wants me to ask the question again.

14:52:05 25 A. I would like the previous question to be

14:52:06 1 read back.

2 Q. Are you aware of any survey results
3 relating to the perspective of a reasonable
4 purchaser on which the SEC -- in which the SEC was
14:52:17 5 the plaintiff?

6 A. Now you can ask your current question.

7 Q. No, you -- let me finish.
8 You answered "That's covered by an NDA."
9 And I said, "Well, you can answer yes or
14:52:29 10 no."

11 And you answered "Yes."

12 And I asked, "Did you review any of
13 those reports in writing the report that you
14 submitted in this case?"

14:52:41 15 A. What --

16 MR. OPPENHEIMER: Objection.

17 You can answer.

18 A. What reports are you referring to?

19 Q. How are the survey results provided?

14:52:54 20 A. That's covered by NDA.

21 Q. Well, were they provided in a document?

22 A. That's covered by NDA.

23 Q. What's covered by an NDA?

24 A. Everything I learned in that case.

14:53:16 25 Q. I'm not asking you what you learned in

14:53:17 1 the case. I'm asking you how those survey results
2 were provided.

3 MR. OPPENHEIMER: Objection
4 to the form.

14:53:23 5 You can answer if you believe
6 you're able to.

7 A. That's covered by NDA.

8 Q. Did you rely on any of the survey
9 results relating to the perspective of a
14:53:44 10 reasonable purchaser in which the SEC was a
11 plaintiff in formulating your opinion in this
12 case?

13 MR. OPPENHEIMER: Objection
14 to form.

14:53:57 15 A. No.

16 Q. If you could turn to paragraph 26 of
17 your report.

18 Looking at Footnote 39 to paragraph 26,
19 the first sentence refers to "Mr. [REDACTED] claims
14:55:23 20 that in a certain passage in an interview with
21 Bloomberg Technology, Ripple's CEO, Brad
22 Garlinghouse, contributed to certain underrating
23 of XRP potential purchasers about XRP."

24 Is that -- did you mean understanding?

14:56:57 25 A. I mean understanding.

14:56:58 1 Q. Is that a typo?

2 A. That's a typo.

3 Q. Going to the second paragraph, you
4 state, I believe the third sentence, "Mr. [REDACTED]
14:57:12 5 believes that because of" his statement -- "this
6 statement, 'potential purchasers of XRP would have
7 understood XRP, as designed, provided a mechanism
8 for passive XRP owners to benefit financially from
9 Ripple's success as a provider of financial
14:57:34 10 service products built on the XRP ledger, as a
11 developer of the XRP ecosystem, and as a driver of
12 demand for XRP.'"

13 What is the basis for the claim that
14 Mr. [REDACTED] believed that because of the statement
14:58:00 15 that I read from Footnote 39, that potential
16 purchasers of XRP would have understood that XRP
17 as designed provided mechanisms for passive XRP
18 owners, et cetera?

19 MR. OPPENHEIMER: Objection
14:58:21 20 to form.

21 A. Well, setting aside that this may not be
22 a perfect rendering of the footnote, looking at
23 paragraph 25 and 26 of Mr. [REDACTED] report, that's
24 what he says.

14:58:41 25 Q. What specifically does he say in

14:58:43 1 paragraph 26 of his report that supports your
2 claim that because of the statement read into the
3 record that, "Potential purchasers of XRP would
4 have understood that XRP, as designed, provided a
14:59:07 5 mechanism for passive XRP owners to benefit
6 financially from Ripple's success as a provider of
7 financial service products built on the XRP
8 ledger, as a developer of the XRP ecosystem, and
9 as a driver of demand for XRP"?

14:59:24 10 MR. OPPENHEIMER: Objection
11 to form.

12 A. Paragraph 26 of Mr. [REDACTED] report
13 states "Potential purchasers of XRP would have
14 understood the simple economics behind the message
14:59:37 15 being promoted by Ripple on this subject: XRP, as
16 designed, provided a mechanism for passive XRP
17 owners to benefit financially from Ripple's
18 success as a provider of financial service
19 products built on the XRP ledger" -- Footnote 25,
14:59:57 20 which I'll read later -- "as a developer of the
21 XRP ecosystem and as a driver of demand for XRP."

22 And Footnote 25 states "Although some
23 Ripple products did not use XRP, this report
24 focuses on what Ripple communicated publicly,
15:00:14 25 including its assertions that usage of its

15:00:18 1 products by financial institutions would
2 ultimately lead to greater demand for XRP. This
3 is further discussed in Section 7."

4 Q. Is Mr. [REDACTED] describing perception or
15:00:31 5 causation in paragraph 26?

6 MR. OPPENHEIMER: Objection
7 to form.

8 A. He's describing perception that's caused
9 by Ripple's statements.

15:00:47 10 THE REPORTER: Ripple?

11 THE WITNESS: Ripple's
12 statements, among possibly other
13 things.

14 A. To quote from his paragraph, he is
15:01:02 15 describing the understanding that's caused by
16 the -- the message being promoted by Ripple.

17 Q. Is he describing the effect on the
18 reasonable purchaser of XRP as opposed to whether
19 or not the messaging caused the reaction?

15:01:20 20 A. He's describing --

21 MR. OPPENHEIMER: Object to
22 form.

23 A. He is describing both the cause and the
24 effect and, in particular, one example of the
15:01:33 25 cause is described in paragraph 25.

15:01:42 1 Q. Can you describe specifically what
2 you're referring to in paragraph 25?

3 A. It states "Ripple directly and publicly
4 made the case for this relationship between
15:01:54 5 increased demand for XRP and the future price of
6 XRP. In an interview with Bloomberg Technology,
7 for example, Garlinghouse ties Ripple's efforts to
8 provide payment solutions with increased demand
9 and higher prices, all enabled by XRP's fixed
15:02:11 10 supply model," colon, and that's followed by the
11 quote "When Ripple uses XRP, we're solving a
12 payments problem. I believe that the more utility
13 you draw, the more demand you're going to drive.
14 And for most of these digital assets, you have
15:02:28 15 fixed supply. If you have fixed supply and
16 increasing demand, it's going to drive price up."

17 And footnote "YouTube. Ripple CEO
18 Garlinghouse sees real value in bitcoin at 2:06."
19 And a URL to a YouTube video and year, in
15:02:51 20 parentheses, 2017.

21 Q. Can you describe the cause and effect in
22 paragraph 25?

23 MR. OPPENHEIMER: Objection
24 to form.

15:03:03 25 A. This mainly discusses the cause. The

15:03:06 1 effects are discussed in paragraph 26. They made
2 some implications here about the effect when it
3 says "the case for this relationship between
4 increased demand for XRP and the future price of
15:03:19 5 XRP." There is an implication here that that was
6 the perception of purchasers or potential
7 purchasers. And it also states the effect, but
8 mostly it focuses on the cause.

9 Q. How did you determine the implication
15:03:52 10 that you just described?

11 MR. OPPENHEIMER: Objection
12 to form.

13 A. That's what the sentence states.

14 Q. Does the sentence use the term
15:04:07 15 "implications"?

16 A. The sentence does not use the word
17 "implications."

18 Q. Okay. Going back to Footnote 39 where
19 you're describing what Mr. [REDACTED] believed.

15:04:38 20 How do you know what Mr. [REDACTED] believes?

21 MR. OPPENHEIMER: Objection;
22 asked and answered.

23 A. I'm describing what he states in his
24 report.

15:04:55 25 Q. Are you providing any opinion about

15:04:57 1 Mr. [REDACTED] state of mind?

2 A. I'm not offering a psychological
3 evaluation of Mr. [REDACTED].

4 Q. In Footnote 39 you also refer, in the
15:05:11 5 third paragraph, to the Garlinghouse's message
6 being replaced by a placebo, is that correct?

7 A. I state "In the experiment, respondents
8 in the test group could be exposed to the
9 interview the way it occurred, while the control
15:05:29 10 group respondents could be exposed to the same
11 interview but where the passage identified by
12 Mr. [REDACTED] would be removed or replaced by a
13 'placebo.'"

14 Q. What do you mean by a "placebo?"

15:05:45 15 A. A placebo would be a different statement
16 that does not cause concern to SEC.

17 Q. I'm sorry, can you repeat your answer,
18 please?

19 A. A placebo would be a statement that does
15:06:12 20 not cause concern to SEC or to Mr. [REDACTED].

21 Q. So what -- what is the placebo that
22 would be used that would not cause concern to the
23 SEC or to Mr. [REDACTED]?

24 MR. OPPENHEIMER: Objection
15:06:34 25 to form.

15:06:39 1 You can answer.

2 A. That would be part of developing the
3 survey/experiment. I outlined in my report some
4 elements at the very high level of a potential
15:06:57 5 survey/experiment. One of the decisions that
6 would need to be made while developing, designing,
7 such a study and possibly even after pretesting or
8 through the help of pretesting is whether the
9 statement can be removed entirely, whether it
15:07:19 10 needs to be replaced with placebo, and what's the
11 appropriate placebo.

12 Q. How would you phrase the survey question
13 to understand the perspective of a reasonable
14 purchaser of XRP in this context?

15:07:35 15 MR. OPPENHEIMER: Objection
16 to form.

17 A. On page 17, paragraph h. of my report, I
18 say "Both groups will then be evaluated on a
19 'dependent measure' which would aim at gaining the
15:08:04 20 unbiased 'perspective of a reasonable purchaser.'
21 For example, respondents could be asked in
22 open-ended and closed-ended formats about their
23 perception of the digital asset described to them,
24 whether they would expect its price to grow
15:08:19 25 because of the efforts of the company discussed in

15:08:22 1 the study, whether they would expect the digital
2 asset to be usable in transactions, including
3 cross-border transactions, and what their own
4 intentions would be with respect to the asset
15:08:39 5 discussed (e.g., whether they would consider
6 purchasing it, and what they would potentially do
7 with it afterwards)."

8 Q. Would there be a focus group?

9 MR. OPPENHEIMER: Objection

15:08:54 10 to form.

11 A. One potential stage of designing a
12 survey/experiment is to conduct focus groups.

13 Q. So in the context of Footnote 35, who
14 would be -- I'm sorry, Footnote 39, who would be
15:09:19 15 part of the focus group?

16 MR. OPPENHEIMER: Objection.

17 You can answer.

18 A. In Footnote 39, I don't think I
19 mentioned focus groups.

15:09:29 20 Q. I'll repeat the question.

21 In the context of Footnote 39, who would
22 be part of the focus group?

23 MR. OPPENHEIMER: Objection.

24 You can answer again.

15:09:41 25 A. Paragraph 39 describes an experiment not

15:09:45 1 a focus group.

2 Q. Do you use focus groups for experiments?

3 A. Some --

4 MR. OPPENHEIMER: Objection.

15:09:54 5 You can answer.

6 A. Sometimes focus groups are used as part
7 of the -- of designing of an experiment or a
8 survey.

9 Q. With regard to paragraph h. of your
15:10:15 10 report, page 17, paragraph h., would you use a
11 focus group?

12 MR. OPPENHEIMER: Objection.

13 A. Paragraph h. discusses potential
14 questions or other dependent measures that can be
15:10:27 15 measured in a survey or experiment. It does not
16 discuss specifically a focus group.

17 Q. I'm asking you, would you use a focus
18 group?

19 MR. OPPENHEIMER: Objection

15:10:41 20 to form.

21 A. In designing a survey or an experiment,
22 focus groups is a potential step. Sitting here
23 today, I cannot tell you whether, in this
24 particular study, a focus group would be used as
15:10:59 25 part of designing a study. And I would need much

15:11:03 1 more time than this deposition to design a study.

2 Q. Okay. Other than designing a study,
3 which I don't think I asked about, how would you
4 recruit a focus group to participate in a survey
15:11:18 5 in the context of your paragraph h.?

6 MR. OPPENHEIMER: Objection
7 to form.

8 A. Would you read back the question,
9 please?

15:11:29 10 (Whereupon, the record was read
11 back.)

12 A. You asked about focus groups which are
13 used as part of designing a survey or an
14 experiment. That's why I answered about focus
15:11:55 15 groups.

16 Q. How would you recruit members of a focus
17 group in the context of conducting a survey?

18 MR. OPPENHEIMER: Objection
19 to form.

15:12:12 20 A. Focus groups would be carried out in the
21 context of designing a survey if they need to be
22 conducted.

23 Q. Assume you're conducting a survey to
24 determine the effect of Mr. Garlinghouse's
15:12:32 25 statements with respect to XRP. How would you

15:12:41 1 recruit a focus group for that survey?

2 MR. OPPENHEIMER: Objection
3 to form.

4 A. I don't understand what it means to
15:12:51 5 "recruit" a focus group for a survey.

6 Q. Well, how do you get people to
7 participate in a focus group?

8 A. Usually you target the same population
9 as you would eventually target in your survey or
15:13:12 10 experiment unless the focus groups or some
11 intermediate step changes that design decision.

12 Q. In paragraph -- in Footnote 39 of your
13 report, you refer to the "test group."

14 Does "test group" mean something
15:13:33 15 different than "focus group"?

16 A. Yes.

17 Q. What is a test group?

18 A. On page 16, paragraph d., I say
19 "Respondents who qualify would be randomly
15:13:57 20 assigned to a test group or a control group."

21 Q. What is a test group?

22 A. I then say in paragraph e., "Test group
23 respondents would be exposed to a set of tested
24 statements and actions by Ripple: Specifically,
15:14:16 25 the 'statements, actions, and product offerings'

15:14:19 1 that Mr. [REDACTED] describes in his report. These
2 could be presented in a form of a vignette
3 accompanied by news articles, video interviews, or
4 other stimuli approximating the marketplace
15:14:34 5 realities." Footnote 38, which I'll read
6 afterward.

7 "The" name "Ripple and XRP" -- sorry.

8 "The names Ripple and XRP could be an anonymized
9 to control for prior knowledge."

15:14:47 10 And Footnote 38 describes the importance
11 of realism in experiments.

12 THE REPORTER: The
13 importance of?

14 THE WITNESS: Realism.

15:15:01 15 Q. What kind of people would be members of
16 the test group?

17 MR. OPPENHEIMER: Objection
18 to form.

19 A. On page 15, paragraph d., I state
15:15:24 20 "Actual and potential purchasers of XRP (the
21 target population) would be recruited to
22 participate in a survey. Those could be drawn,
23 for example, from the three types of purchasers
24 that Mr. [REDACTED] highlighted: 'individuals,
15:15:37 25 institutional investors, and financial services

15:15:40 1 companies.'" 2

3 Q. What do you mean by "control group" in
Footnote 39 of your report?

4 A. Control group is the other group that is
15:15:57 5 not a test group.

6 Q. Is that the scientific definition for
7 control group?

8 MR. OPPENHEIMER: Objection;

9 form.

10 A. Yes, in part. If you'd like more
11 details, the control group is the group that's not
12 exposed to the tested stimulus and is exposed to
13 something else, usually with placebo elements.

14 Q. Does control group mean the same thing
15:16:33 15 as focus group?

16 A. No.

17 Q. How are the two terms different?

18 A. Test group and control group, in terms
19 for splitting the sample in a survey or experiment
15:16:49 20 into two subsamples which have a different
21 experience within that experiment and whose
22 outcomes are eventually measured as a part of the
23 experiment.

24 A focus group is a separate study that
15:17:07 25 may or may not be conducted prior to the

15:17:10 1 experiment as part of designing the experiment or
2 surveys.

3 THE REPORTER: The last
4 part?

15:17:22 5 THE WITNESS: Or surveys.

6 THE REPORTER: Thank you.

7 Q. Going back to your paragraph 9 of your
8 rebuttal, you state -- could you please read
9 paragraph 9.d into the record?

15:18:13 10 A. "Mr. [REDACTED] does not evaluate whether and
11 to what degree XRP purchasers were exposed to
12 Ripple's statement that he 'reviews and analyzes.'
13 A proper analysis of the impact of such statements
14 on potential purchasers would include such an
15:18:14 15 evaluation.

16 Q. What is the basis of your statement that
17 Mr. [REDACTED] does not evaluate whether and to what
18 degree XRP purchasers were exposed to Ripple's
19 statements that he -- and I'm -- in your quotes
15:18:47 20 "reviews and analyzes"?

21 A. Such an evaluation would often result in
22 a conclusion that a certain percentage of relevant
23 population was exposed to the relevant statements.
24 I did not see such a conclusion in Mr. [REDACTED]
15:19:20 25 report.

15:19:23 1 Q. Well, if -- can you turn to paragraph 56
2 of Mr. [REDACTED] report on page 32?

3 Can you read the last sentence on page
4 32 starting with "In a public statement..." and
15:20:22 5 going on to page 33 up to the Footnote 66?

6 A. Do you want me to read the sentence that
7 starts with "In a public statement..."?

8 Q. Yes.

9 A. "In a public statement on CoinDesk, one
15:20:41 10 of the leading digital asset news sites,
11 Garlinghouse commented, 'We have had a significant
12 rally in XRP prices, but it is reflective of a lot
13 of work we have done to make Ripple a very
14 compelling solution.'"

15:20:58 15 Footnote 66. "CoinDesk. Use or
16 speculation: What's driving Ripple's price to"
17 all high -- "to all-time highs?" 2017, and there
18 is a URL.

19 Q. So is the statement that you just read a
15:21:24 20 statement that's made by Mr. Garlinghouse
21 according to Mr. [REDACTED] report?

22 MR. OPPENHEIMER: Objection
23 to form.

24 You can answer.

15:21:34 25 A. According to Mr. [REDACTED] report,

15:21:36 1 Mr. Garlinghouse made this statement.

2 Q. If you could please look at paragraph 57
3 of Mr. [REDACTED] report, does Mr. [REDACTED] include
4 another statement by Mr. Garlinghouse in paragraph
15:21:57 5 57 of his report?

6 A. Paragraph 57 contains another statement
7 by Mr. Garlinghouse.

8 Q. If you could go to paragraph 58 of
9 Mr. [REDACTED] report, does Mr. [REDACTED] quote another
15:22:36 10 statement by Mr. Garlinghouse?

11 A. Paragraph 58 lists another statement by
12 Mr. Garlinghouse. However, for all of the
13 statements we just discussed in paragraph 56, 57
14 and 58, there is no analysis of exposure.

15:23:34 15 Q. Is it possible that XRP purchasers might
16 have been exposed to the statements that Mr. [REDACTED]
17 includes in paragraphs 56, 57 and 58 of his
18 report?

19 MR. OPPENHEIMER: Objection;
15:23:49 20 calls for speculation.

21 You can answer.

22 A. It's a testable hypothesis.

23 THE REPORTER: It's a what
24 hypothesis?

15:23:57 25 THE WITNESS: Testable.

15:23:58 1 A. It is possible that some purchasers were
2 exposed; however, how many and what percent of
3 relative population, whether it's zero or more
4 than zero but still negligible or whether it's
15:24:09 5 substantial, that's all testable hypothesis. And
6 Mr. [REDACTED] does not offer any analysis to evaluate
7 to what degree purchasers or potential purchasers
8 of XRP were exposed to any of these statements.

9 Q. Was that -- was Mr. [REDACTED] assigned with
15:24:32 10 evaluating whether and to what degree XRP
11 purchasers were exposed to Ripple's statements?

12 MR. OPPENHEIMER: Objection
13 to form.

14 A. Mr. [REDACTED] was asked to evaluate a causal
15:25:01 15 relationship between the statement, actions, and
16 product offering on the one hand and the
17 perspective of a reasonable purchaser on the other
18 hand. And in order to evaluate whether certain
19 statements had an effect on the perspective of a
15:25:17 20 reasonable purchaser, we first need to establish
21 whether the reasonable purchaser was ever exposed
22 to those statements and to what degree.

23 Q. Can you point to where in Mr. [REDACTED]
24 report, where he states that he was asked to
15:25:33 25 evaluate a causal relationship between the

15:25:37 1 statements, actions, and product offering on the
2 one hand and the perspective of a reasonable
3 purchaser on the other hand?

4 MR. OPPENHEIMER: Objection

15:25:47 5 to the form.

6 A. In paragraph 2, Mr. Ripple -- Mr. [REDACTED]
7 states "The SEC retained me to independently
8 analyze and render opinions on the perspective of
9 a reasonable purchaser of XRP on Ripple's
10 statements, actions, and product offerings."

11 Q. Is there any word that -- let me
12 rephrase this.

13 Does the sentence include the word
14 "cause"?

15:26:20 15 A. The sentence does not involve -- include
16 the word "cause."

17 Q. And going back to your opinion in
18 paragraph 9.c, can you read for the record
19 paragraph 9.c?

15:27:03 20 A. "Mr. [REDACTED] 'analysis' does not allow
21 him to separate the supposed impact of Ripple's
22 conduct on the purchaser's 'perspective' from
23 other potential influences, such as preexisting
24 beliefs or general principles of economics."

15:27:28 25 Q. Can you explain what you mean by this

15:27:29 1 sentence?

2 A. The reason that experiments are gold
3 standard of testing causal propositions is because
4 they can separate the impact of what's
15:27:45 5 hypothesized to be the cause on the outcome from
6 the impact of all other potential inferences.
7 Because Mr. [REDACTED] did not conduct an experiment or
8 any other reliable -- he did not use any other
9 reliable approach to test a causal proposition, he
15:28:07 10 cannot separate the impact of the specific alleged
11 conduct from the impact of all other inferences
12 such as preexisting beliefs or general economic
13 principles.

14 Q. Assuming that Mr. [REDACTED] is not testing
15:28:31 15 any causal proposition, would your opinion in
16 paragraph 9.c change?

17 MR. OPPENHEIMER: Objection
18 to form.

19 You can answer.

15:28:48 20 A. If Mr. [REDACTED] is not testing any causal
21 proposition, then his report does not exist, so I
22 wouldn't need -- I would not need to rebut it.

23 Q. Can you explain what you mean by your
24 statement that his report does not exist if he's
15:29:05 25 not causing -- if -- I'm sorry, if he's not

15:29:08 1 testing causal proposition?

2 A. Well, to start with, he's not testing
3 causal propositions, but he is making causal
4 conclusions. And he cannot make those conclusions
15:29:23 5 and not make them at the same time.

6 Q. And the determination that Mr. [REDACTED] is
7 making causal conclusions, is that an opinion that
8 you're providing in this case?

9 MR. OPPENHEIMER: Objection
15:29:38 10 to form.

11 A. If I look at Mr. [REDACTED] summary of
12 findings, for example, I think I've gone in great
13 detail for paragraph 8 where almost every -- every
14 word is either a part of the cause or an effect;
15:30:07 15 every sentence either -- almost every sentence
16 either describes a cause or an effect or a causal
17 combined proposition.

18 Q. Is that an expert opinion that you're
19 providing?

15:30:20 20 MR. OPPENHEIMER: Objection
21 to form.

22 A. That is what paragraph 8 states.

23 Q. I'm sorry?

24 A. That is what paragraph 8 states.

15:30:44 25 Q. Is that your interpretation of paragraph

15:30:45 1 8?

2 MR. OPPENHEIMER: Objection
3 to form. Asked and answered
4 repeatedly.

15:30:49 5 You can answer again.

6 A. That's what the paragraph states.

7 Q. Okay. In paragraph 9.d of your report,
8 you state that "[REDACTED] does not explain how he
9 selected Ripple's statements that he 'reviews and
10 analyzes.'" 15:31:05

11 What is the basis for this statement?

12 A. "That Mr. [REDACTED] does not explain how he
13 selected Ripple's statements that he 'reviews and
14 analyzes.'" 15:31:28

15 Q. In your expert opinion, how is he
16 supposed to explain how he selected Ripple's
17 statements that he reviews and analyzes?

18 MR. OPPENHEIMER: Objection
19 to form.

15:31:46 20 A. There are multiple ways to do it. For
21 example, Mr. [REDACTED] could have a section in his
22 report where he could list all the statements that
23 he reviews and analyzes and say, for example, all
24 the statements come from the complaint; which
15:32:06 25 would not be the case here, but if it were the

15:32:10 1 case, he could say I have read the complaint. The
2 complaint makes me think I should be testing these
3 statements and I'm going to test them. None of
4 this is happening in Mr. [REDACTED] report.

15:32:31 5 Another example is that SEC could have
6 instructed him to test specific statements and he
7 could have described that in his report. That
8 also doesn't happen.

9 Q. Can you turn to paragraph 68 of
15:32:46 10 Mr. [REDACTED] report?

11 The sentence in quotations that's
12 included in paragraph 68, the first quotation, is
13 that a sentence that Mr. [REDACTED] included in his
14 report? Is that -- I'm sorry. Is that a
15:33:41 15 statement that Mr. [REDACTED] reported in his report?

16 MR. OPPENHEIMER: Objection
17 to form.

18 You can answer.

19 A. Mr. [REDACTED] states that this sentence
15:34:28 20 comes -- this quote comes from a Ripple --
21 Ripple's post on its blog.

22 Q. Does Mr. [REDACTED] state who is the author
23 of the statement?

24 A. If by "who" you refer to a particular
15:35:12 25 person, then I don't see it here.

15:35:13 1 Q. Okay. If you turn to page 38, does
2 the -- is there a reference to Miguel Vias in
3 paragraph 68?

4 A. He does mention Miguel Vias.

15:35:32 5 Q. And who is Miguel Vias according to
6 Mr. [REDACTED]?

7 A. According to Mr. [REDACTED], Miguel Vias is
8 the head of Ripple's XRP markets team, or was
9 at -- at that time.

15:35:46 10 Q. Okay. Does Mr. [REDACTED] cite in his report
11 to -- I'm sorry.

12 Does Mr. [REDACTED] provide a cite in his
13 report with regard to that statement?

14 A. I'm not sure what you mean.

15:36:09 15 Q. Does -- what does Footnote 90 refer to?

16 A. Footnote 90 refers to presumably the
17 source of this, where Mr. [REDACTED] found this
18 statement.

19 Q. Okay. So if you look at paragraph 39 --
15:36:32 20 I'm sorry, 69 of Mr. [REDACTED] report, does
21 paragraph 30 -- 69 include a statement?

22 MR. OPPENHEIMER: Objection
23 to form.

24 A. Paragraph 69 of Mr. [REDACTED] report
15:37:25 25 quotes a statement on Ripple's Insights blog

15:37:31 1 supposedly made by Garlinghouse.

2 Q. Is there a citation to the statement in
3 paragraph 69?

4 MR. OPPENHEIMER: Objection.

15:37:39 5 You can answer.

6 A. There is a Footnote 93, which is
7 cross-referencing Footnote 92.

8 Q. And what -- what is Footnote 92?

9 A. It says "Ripple. Zoe Cruz Joins
15:37:59 10 Ripple's Board of Directors (2017)" and the URL.

11 Q. If you turn to paragraph 73 of
12 Mr. [REDACTED] report, does paragraph 73 include a
13 statement?

14 MR. OPPENHEIMER: Objection
15:38:37 15 to form.

16 A. Paragraph 73 includes a portion of an
17 interview which was a part of the Cryptocurrency
18 Investor Forum.

19 Q. According to Mr. [REDACTED], whose statement
15:39:19 20 is included in paragraph 73?

21 A. According to Mr. [REDACTED], the statement
22 was made by Breanne Magidan, Ripple's former head
23 of Global Institutional Markets.

24 Q. Going back to your report, in paragraph
15:40:04 25 9.e, can you explain what you mean by "market

15:40:11 1 segmentation"?

2 A. Market segmentation is an analysis that
3 allows to split one's addressable markets into
4 segments.

15:40:29 5 THE REPORTER: Allows what
6 markets?

7 THE WITNESS: Addressable.

8 Q. Why would market segmentation be
9 applic -- applicable in evaluating the perception
15:41:04 10 of reasonable XRP purchasers?

11 MR. OPPENHEIMER: Objection
12 to form.

13 You can answer.

14 A. Mr. [REDACTED] throughout his report
15:41:19 15 describes two types of perspectives or two
16 different perspectives: One of investor-oriented
17 purchasers and the other cross-border
18 transfer-oriented purchase -- purchasers. Nowhere
19 in his report does Mr. [REDACTED] offer any empirical
15:41:39 20 evidence that would support the existence of these
21 two types of purchasers or that those are the only
22 two types of purchasers.

23 One way to establish whether purchasers
24 of a particular product are, indeed -- indeed
15:41:56 25 belong to two separate segments is to conduct

15:42:01 1 market segmentation.

2 Q. Does Mr. [REDACTED] state anywhere in his
3 report that investment-oriented purchasers and
4 cross-border transfer-oriented purchasers are the
15:42:20 5 only two types of XRP purchasers?

6 A. He evaluates only those two types. And
7 in particular, he seems to suggest that
8 investment-oriented purchasers are predominant,
9 but he offers no empirical support for that.

15:42:44 10 Q. But does he state that these are the
11 only two types of XRP purchasers anywhere in the
12 report?

13 MR. OPPENHEIMER: Objection
14 to form.

15:43:12 15 A. His assignment is to "analyze and render
16 opinions on the perspective of a reasonable
17 purchaser of XRP on Ripple's statements, actions,
18 and product offerings." So "reasonable purchaser"
19 is very general here.

15:43:30 20 Then further in his report, he offers
21 two perspectives: One of investment-oriented
22 purchaser and one of a cross-border
23 transfer-oriented purchaser. He doesn't mention
24 any other type. For his report to be exhaustive,
15:43:45 25 if there -- if he believes there are other types,

15:43:47 1 he would need to mention them.

2 Q. Is that an opinion?

3 MR. OPPENHEIMER: Objection

4 to form.

15:44:14 5 A. My entire report is that of my opinions
6 in this case.

7 Q. And so the answer is yes?

8 MR. OPPENHEIMER: Objection.

9 A. Everything I state in my report is my
15:44:25 10 opinion in this case.

11 Q. Have you provided any expert opinion
12 about the qualifications or experience of an
13 expert in your professional capacity?

14 MR. OPPENHEIMER: Objection

15:45:00 15 to form.

16 A. In paragraph f on page 5, I state
17 "Mr. [REDACTED] does not appear to possess the
18 qualifications or experience needed to address
19 certain aspects of the 'perspective of a
15:45:20 20 reasonable purchaser' or the effect of Ripple's
21 'statements, actions, and product offerings' on
22 those aspects of the purchaser's perspective, such
23 as purchasers' perceptions of Ripple's at-issue
24 statements."

15:45:38 25 I might have missed a closing quotation

15:45:41 1 mark after "reasonable purchaser."

2 Q. Other than paragraph f in this case,
3 have you provided any expert opinion about the
4 qualifications or experience of an expert in your
15:46:01 5 professional capacity?

6 MR. OPPENHEIMER: Objection
7 to form.

8 A. I might have in the United States versus
9 Florida case. I don't remem -- I don't recall the
15:46:23 10 specifics.

11 Q. Has an expert report ever been rejected
12 based on your expert opinion about that expert's
13 qualifications or experience?

14 MR. OPPENHEIMER: Objection
15:46:40 15 to form.

16 A. To the best of my recollection, in the
17 United States versus Florida case, the court chose
18 not to opine on any Daubert motions and instead
19 opined on the case's merits and ruled in favor of
15:47:09 20 my client.

21 MR. OPPENHEIMER: Counsel, I
22 don't know if you're planning on
23 starting a new topic, but if we could
24 take a break sometime soon.

15:47:30 25 MS. GUERRIER: Sure. Why

15:47:30 1 don't we take a break now. Ten
2 minutes?
3 THE VIDEOGRAPHER: Okay.
4 Going off the record, 3:47.
15:47:36 5 (Whereupon, a recess is taken.)
6 THE VIDEOGRAPHER: Okay.
7 Back on the record at 4:01.
8 BY MS. GUERRIER:
9 Q. In Section --
16:01:19 10 THE VIDEOGRAPHER: Your mic.
11 MS. GUERRIER: Oh, yes,
12 that's important.
13 BY MS. GUERRIER:
14 Q. Okay. In Section B to your report on
16:01:32 15 page 21, you state that "Mr. [REDACTED] does not
16 evaluate whether and to what degree XRP purchasers
17 were exposed to the at-issue communications and
18 does not attempt to empirically evaluate the
19 causal effect, if any, of Ripple's public
16:01:50 20 communications on perceptions or purchase
21 decisions of actual or potential purchasers of
22 XRP."
23 Was this part of Mr. [REDACTED] assignment?
24 MR. OPPENHEIMER: Objection
16:02:10 25 to form.

16:02:10 1 A. Going back to paragraph 2 of Mr. [REDACTED]
2 report, the SEC retained him "to independently
3 analyze and render opinions on the perspective of
4 a reasonable purchaser of XRP on Ripple's
16:02:22 5 statements, actions" -- "statements, actions, and
6 product offerings."

7 And then throughout his report, he lists
8 numerous communications by Ripple and arrives at
9 causal conclusions regarding what effect those
16:02:39 10 communications had on perceptions or purchase
11 decisions of actual or potential purchasers of
12 XRP.

13 So that's part of his assignment and his
14 report.

16:02:52 15 Q. Is that your interpretation of
16 Mr. [REDACTED] assign -- assignment?

17 MR. OPPENHEIMER: Objection
18 to form.

19 A. That's what's in his report.

16:03:06 20 Q. Is this an opinion that you're providing
21 concerning whether or not Mr. [REDACTED] was asked to
22 do what I've described in Section B on page 21 of
23 your report?

24 MR. OPPENHEIMER: Objection
16:03:17 25 to form.

16:03:25 1 A. My entire report is my opinions.

2 Q. Do you have a criticism of Section 5 of
3 Mr. [REDACTED] expert report which starts on page 15
4 of his report and goes through page 19 of the
16:03:50 5 report?

6 A. One of the sections in my report
7 specifically addresses Section 5 of Mr. [REDACTED]
8 report.

9 Q. What is the specific rebuttal that
16:04:28 10 you're providing with respect to Section 5 of
11 Mr. [REDACTED] report?

12 MR. OPPENHEIMER: Objection;
13 form.

14 A. Section -- Section VI.B.a. of my report
16:04:54 15 is called "[REDACTED] Report Section 5" featured --
16 "Features of XRP Coin Economics and Suitability as
17 a Bridge Asset."

18 In that section I specifically address
19 Section 5 of Mr. [REDACTED] report.

16:05:14 20 Q. So what is the specific criticism that
21 you have of Section 5 of Mr. [REDACTED] report?

22 MR. OPPENHEIMER: Objection
23 to form.

24 A. That's my entire Section VI.B.a.

16:05:38 25 Q. I'm sorry?

16:05:42 1 A. That's my entire Section VI.B.a.

2 Q. Can you verbalize what your rebuttal is
3 on Section 5 of Mr. [REDACTED] report?

4 MR. OPPENHEIMER: Objection

16:05:54 5 to form.

6 A. I can read to you examples from my
7 Section VI.B.a. For example, in paragraph 39, I
8 state "In Section 5.3 of his report, Mr. [REDACTED]
9 summarizes the 'Perspective of a reasonable
16:06:27 10 purchaser with respect to XRP's fixed-supply
11 model,' again splitting the purchasers into
12 'investment-oriented purchasers of XRP' and
13 'purchasers who are exclusively interested in the
14 utility use of the cross-border payment product.'
16:06:46 15 Again, he does not explain whether these two types
16 of purchasers were exposed or paid attention to
17 the specific Ripple statements, whether the
18 perspectives (perceptions and purchase behaviors)
19 of these two types of potential purchasers were
16:07:03 20 affected by those statements or by general
21 economic logic, why these two types of customers
22 represent a relevant market segmentation, and
23 whether there is any basis to say these two are
24 the only types of potential purchasers that should
16:07:19 25 be considered."

16:07:29 1 Q. Turning to Section 6 of Mr. [REDACTED]
2 report, which starts on page 19 of his report and
3 ends on page 26, are you providing any rebuttal to
4 Section 6 of Mr. [REDACTED] report?

16:07:48 5 MR. OPPENHEIMER: Objection
6 to form.

7 A. Well, as I stated before, all of my
8 report is my opinions and my rebuttal of
9 Mr. [REDACTED] entire report. With respect to
16:08:11 10 Section 6 of his report, there is a section in my
11 report, that's Section VI.B.b, called "[REDACTED]
12 Report Section 6 'XRP Sale and Escrow'" mechanism
13 -- 'Mechanics.'"

14 Q. Can you verbalize the rebuttal that
16:08:41 15 you're providing to Section 6 of Mr. [REDACTED]
16 report?

17 MR. OPPENHEIMER: Objection
18 to form.

19 A. I can read to you excerpts from my
16:08:57 20 Section B.b, but my entire Section VI.B.b is the
21 rebuttal. It's the one that specifically
22 addresses Mr. [REDACTED] Section 6. It's only one
23 paragraph, so I'll read it in its entirety.

24 "In Sections 6.1-6.5" in -- "of his
16:09:31 25 report, Mr. [REDACTED] discusses 'XRP Sale and Escrow

16:09:35 1 Mechanics,' again intermingling theoretical logic,
2 statements made by Ripple, and actions taken by
3 Ripple."

4 Footnote 55, which I'll -- which reads
16:09:49 5 "██████ Report, paragraphs 32 to 47.
6 Occasionally, Mr. ██████ would interject these
7 descriptions with what appears to be his take on
8 purchaser 'perspective.' For example, he states
9 that various aspects of institutional purchasing
16:10:05 10 of XRP, 'repeatedly communicated by Ripple in the
11 XRP markets reports,' 'would appeal to an
12 individual purchaser with a long-term investment
13 mindset.' ██████ report, paragraph 37. He does
14 not identify any basis for distinguishing between
16:10:26 15 subsets of potential XRP purchasers (for example,
16 his 'individual purchaser with a long-term
17 investment mindset' versus an individual
18 purchaser with a short-term investment mindset,
19 or an individual purchaser with no investment
16:10:41 20 mindset, or an entity purchaser, but also makes
21 no attempt to argue that his conclusions hold as
22 to all subsets of potential XRP purchasers."

23 Continuing with the paragraph: "This
24 intermingling is flawed for the reason I explain
16:11:01 25 above. Then, in Section 6.6, Mr. ██████ describes

16:11:04 1 the supposed 'perspective of a reasonable
2 purchaser with regards to Ripple's XRP sales and
3 escrow,' again discussing separately the
4 perspective of 'a potential investment-oriented
16:11:18 5 purchaser of XRP' and 'a reasonable purchaser of
6 XRP that is exclusively considering the utility
7 use of the coin.'"

8 Footnote 56, "██████ report, paragraphs
9 48 to 49."

16:11:37 10 "Again, he does not explain why his
11 segmentation into these two types of purchasers is
12 valid, or whether these two types of purchasers
13 were exposed or paid attention to the specific
14 Ripple statements, whether they interpreted the
16:11:50 15 statements the same way as Mr. ██████, or whether
16 the perspectives (perceptions and purchase
17 behaviors) of these two types of potential
18 purchasers are affected by those statements or by
19 general economic logic. Each of these omissions
16:12:06 20 is" critic -- "is a critical flaw in Mr. ██████
21 reasoning."

22 So both for Section 5 and Section 6 of
23 Mr. ██████ report, the general rebuttal that I
24 offer -- and there is more detail in my report,
16:12:23 25 but at a high level is that the statements that

16:12:27 1 Mr. [REDACTED] highlights in those sections, it
2 doesn't test whether the perspective of the
3 purchaser was affected by these statements.

4 He doesn't -- he also doesn't analyze
16:12:41 5 whether purchasers or potential purchasers were
6 even exposed to those statements. And he
7 repeatedly made separate conclusions for two types
8 of potential purchasers, but he offers no
9 explanation -- or let me rephrase -- no reliable
16:13:02 10 methodology that would allow one to conclude that
11 these two types of potential purchasers or
12 purchasers exist and those are the only two types.

13 Q. Okay. Did you conduct any of the tests
14 that you described in paragraph 40 of your report?

16:13:21 15 MR. OPPENHEIMER: Objection
16 to form.

17 Q. In this case.

18 A. I don't know if I used the word "test"
19 here specifically.

16:13:45 20 Q. Well, did you do any of the things that
21 you've described in paragraph 40 of your report in
22 this case?

23 MR. OPPENHEIMER: Objection
24 to form.

16:13:55 25 A. My assignment in this case is to

16:13:56 1 evaluate Mr. [REDACTED] report. In order to do that,
2 I do not need to conduct an empirical study.

3 Q. So is the answer no?

4 A. The answer is I did not conduct
16:14:14 5 empirical studies because I didn't need to.

6 Q. Okay. Looking at Section 7 of
7 Mr. [REDACTED]'s report, which starts at page 26 of the
8 report and ends at page 49, are you -- what
9 rebuttal are you providing to Section 7 of
16:14:56 10 Mr. [REDACTED] report?

11 MR. OPPENHEIMER: Objection
12 to form.

13 A. If you're referring to Section 7 of
14 Mr. [REDACTED] report, it ends on page 47 of his
16:15:08 15 report.

16 Q. Yes, I'm sorry. Page 47.

17 What rebuttal are you providing to
18 Section 7 of Mr. Ripple's -- I'm sorry,
19 Mr. [REDACTED] report?

16:15:39 20 A. Section VI.B.c. of my report is called
21 "[REDACTED] Report Section 7 'Ripple Communications and
22 Promotional Statements.'" And that section of my
23 report specifically addresses Section 7 of
24 Mr. [REDACTED] report.

16:15:59 25 Q. Can you verbalize the rebuttal that

16:16:01 1 you're providing to Section 7 of Mr. [REDACTED]
2 report?

3 MR. OPPENHEIMER: Objection
4 to form.

16:16:21 5 A. My entire opinion is in my report. The
6 general, the main highlights of it is that, again,
7 Mr. [REDACTED] lists numerous statements and makes
8 causal conclusions about how those statements
9 affected the perspective of purchasers and
16:16:46 10 potential purchasers of XRP, but he doesn't
11 evaluate that causal proposition with any reliable
12 methodology. He doesn't evaluate whether a
13 relevant population was even exposed or to what
14 degree to those statements.

16:17:07 15 He, again, offers two separate
16 perspectives for the two types of purchasers he
17 defines without offering any empirical evidence
18 that those two types exist or that no other types
19 exist.

16:17:26 20 I have not finished.

21 Another criticism of Section 7, as well
22 as 5 and 6, is that with respect to the statements
23 of Mr. [REDACTED] -- it's not all -- he doesn't
24 evaluate to what degree potential and actual
16:18:20 25 purchasers were exposed to this statement. He

16:18:23 1 doesn't evaluate whether they paid any attention
2 to the statement or whether they recall them at
3 the time of the potential purchase.

4 In Section 7, on my Sections V and VI,
16:18:53 5 he has an incremental section that is called
6 Section 7.1 and it's called -- it starts on page
7 26 of his report and it's called "Promotional
8 Factors Considered by an Investment-Oriented
9 Purchaser."

16:19:24 10 Mr. [REDACTED] does not have a parallel
11 subsection for the other type of purchaser he
12 claims exist and that suggests that Mr. [REDACTED]
13 believes that the promotional -- that the
14 investment-oriented purchaser is the predominant
16:19:44 15 purchaser type or he's not interested or less
16 interested than the other type for some reason.

17 I'm done with my answer.

18 Q. Could you go to page 29, your header
19 paragraph C. You state that "Mr. [REDACTED]'s 'review
16:20:33 20 and analysis' does not evaluate any actual or
21 potential XRP purchaser's perspective except for
22 his own."

23 Is -- is it possible to evaluate
24 perception of a consumer based upon the expert's
16:20:56 25 experience alone?

16:20:59 1 MR. OPPENHEIMER: Objection
2 to form.

3 A. From a scientific point of view, if you
4 are interested in the perceptions of purchasers or
16:21:14 5 perspective purchasers, we should measure those
6 perceptions empirically or evaluate them in some
7 indirect way empirically.

8 Q. Do you know whether any experts have
9 evaluated the perception of a hypothetical
16:21:34 10 consumer without conducting any scientific
11 analysis but relying on this expert's experience?

12 MR. OPPENHEIMER: Objection
13 to form.

14 A. I have supported several experts
16:21:48 15 providing such opinions.

16 Q. Were the cases that you supported in
17 rebutting an expert that may have evaluated the
18 perception of a hypothetical purchaser based on
19 that expert's experience, were those cases
16:22:35 20 litigation cases?

21 MR. OPPENHEIMER: Objection;
22 form.

23 A. Yes. And I think I should clarify that
24 the cases, or at least one case I'm referring to,
16:23:01 25 the expert on the other side did not present an

16:23:06 1 opinion of his own introspections as a potential
2 consumer but, rather, what he believed the
3 consumers would think based on literature.

4 Q. Is it possible that an expert can
16:23:33 5 evaluate the perception of a hypothetical consumer
6 without the need to conduct an experiment?

7 MR. OPPENHEIMER: Objection;
8 form.

9 A. From a scientific perspective, we have a
16:23:52 10 hypothesis about the impact of stimulus on
11 perceptions.

12 THE REPORTER: I'm sorry,
13 repeat.

14 A. From a scientific perspective, we have
16:24:00 15 an hypothesis about the impact of a stimulus on
16 perceptions or perspectives. The gold standard is
17 to conduct a sur -- an experiment.

18 Q. So my question is, is it possible that
19 an expert can evaluate the perception of a
16:24:25 20 hypothetical consumer without the need to conduct
21 any experiment?

22 MR. OPPENHEIMER: Objection
23 to form.

24 A. There are some other methods that are
16:24:41 25 less effective in establishing causation but

16:24:44 1 nevertheless can establish causation to some
2 degree. Mr. [REDACTED] did not use any of those
3 methods.

4 Q. Assuming that we're not trying to
16:24:55 5 establish causation and we're just looking at the
6 perception of a hypothetical consumer, is it
7 possible that an expert can evaluate the
8 perception of that hypothetical consumer without
9 the need to conduct an experiment?

16:25:13 10 MR. OPPENHEIMER: Objection
11 to form.

12 A. If we're not going after a causal
13 proposition and they're evaluating perceptions,
14 the most direct way of doing that would be a
16:25:27 15 survey.

16 If we are looking at some hypothetical
17 imaginary person, then the question is: Who is to
18 decide what that person's thinking? From a
19 scientific perspective, the best way -- or the
16:25:46 20 most direct way. The most direct way to establish
21 what a person is thinking is to ask about people
22 who are similar to that imaginary hypothesized
23 person.

24 Q. Can an expert evaluate the perception of
16:26:02 25 a hypothetical consumer based on specialized

16:26:06 1 experience alone, without talking about cause and
2 effect?

3 MR. OPPENHEIMER: Objection
4 to form.

16:26:16 5 A. If we're evaluating perceptions of
6 consumers -- was it consumers in your question?

7 Q. I'll repeat the question.

8 Can an expert evaluate the perception of
9 a hypothetical consumer based on specialized
16:26:32 10 experience alone, without talking about cause and
11 effect?

12 MR. OPPENHEIMER: Same
13 objection.

14 A. From a scientific perspective, that way
16:26:49 15 to -- one way, a direct way, to identify what a
16 hypothetical consumer thinks is to ask actual
17 consumers what they think. Otherwise, it's not
18 clear how we're going to figure out what this
19 imaginary person imaginary thoughts -- imaginary
16:27:12 20 person's imaginary thoughts are.

21 Q. Is it your testimony that no expert has
22 evaluated the perception of a hypothetical
23 consumer based on specialized knowledge alone?

24 MR. OPPENHEIMER: Objection
16:27:29 25 to form.

16:27:43 1 A. I am not offering any legal opinions in
2 this case. There might have been experts who did
3 something. That's not scientifically valid.

4 Q. What is the basis for your statement
16:27:59 5 that analyze -- evaluating consumer perception
6 based on specialized knowledge alone, without
7 trying to determine cause and effect, is not
8 scientifically valid?

9 MR. OPPENHEIMER: Objection
16:28:11 10 to form.

11 A. So the base case scenario of this
12 methodology, quote/unquote, is that we're getting
13 the perception of a single person, a person who
14 knows the hypothesis in the current case, knows
16:28:38 15 the sponsor of this, quote/unquote, study and is
16 just one person. That does not allow us to
17 evaluate what a representative consumer believes.

18 Q. Are you aware that experts have been
19 accepted in courts in this jurisdiction based on
16:29:09 20 their specialized knowledge alone with respect to
21 evaluating the perspective of a hypothetical
22 consumer?

23 MR. OPPENHEIMER: Objection
24 to form.

16:29:21 25 A. If you represent that to me, I believe

16:29:23 1 you, and I'm not offering any legal opinions.
2 From a scientific perspective, introspecting will
3 give us perception of one person, not of a
4 representative consumer. And that one person is
16:29:51 5 not even necessarily the consumer of the product
6 of interest.

7 THE REPORTER: The consumer
8 of --

9 THE WITNESS: Of the product
16:30:02 10 of interest. Or a potential consumer
11 of the product of interest.

12 Q. Could the expert look at online -- for
13 example, online reviews by consumers to determine
14 the perception of hypothetical consumers without
16:30:27 15 trying to determine cause and effect but just
16 perception?

17 MR. OPPENHEIMER: Objection
18 to form.

19 A. There is a scientific methodology called
16:30:41 20 content analysis as discussed in Footnote 67 of my
21 report. "Content analysis is a method of
22 collecting social data through carefully
23 specifying and counting social artifacts such as
24 books, songs, speeches, and paintings. Without
16:31:02 25 making any personal contact with people, you can

16:31:04 1 use this method to examine a wide variety of
2 social phenomena. Content analysis is the study
3 of recorded human communications. Among the forms
4 suitable for study are books, magazines, web
16:31:16 5 pages, poems, newspapers, songs, paintings,
6 speeches, letters, email messages, bulletin board
7 postings on the internet, laws, and constitutions,
8 as well as any components or collections thereof.
9 Content analysis is particularly well suited to
16:31:34 10 the study of communications and to answering the
11 classic question of communications research: 'Who
12 says what, to whom, why, how, and with what
13 effect?' Common units of analysis in content
14 analysis include elements of communications -
16:31:51 15 words, paragraphs, books and so forth. Standard
16 probability-sampling techniques are sometimes
17 appropriate in content analysis."

18 If an expert wanted to conduct content
19 analysis of product reviews, that would, if
16:32:09 20 properly conducted, be a reliable methodology.

21 Q. So is scientific -- I'm sorry.
22 Is a -- is a scientific analysis
23 mandatory for determining the perspective of a
24 reasonable purchaser if all you're doing is
16:32:48 25 determining the perspective of a reasonable

16:32:51 1 purchaser?

2 MR. OPPENHEIMER: Objection

3 to form.

4 A. From a scientific perspective, the
16:33:03 5 perspective of a reasonable purchaser can be
6 measured as the perspective of -- on average, of a
7 sample of relevant purchasers.

8 There could be also indirect methods but
9 also empirical methods. Introspecting into what I
16:33:25 10 think about this product will, at best, only tell
11 you what I think about it, not what consumers of
12 this product think. And even if I am a consumer
13 of this product or a potential consumer of this
14 product, I'm only one person. That could be an
16:33:43 15 outlier.

16 And obviously the same applies to
17 Mr. [REDACTED]. His introspections into what he
18 believes, what his perspective is in this case,
19 it's only his perspective. Even if he's a
16:34:08 20 relevant purchaser or potential purchaser of XRP,
21 that's only his belief and his belief may be
22 biased because he knows the sponsor of -- of his,
23 quote/unquote, analysis.

24 Q. So can Mr. [REDACTED] provide a nonscientific
16:34:33 25 opinion regarding the perspective of a reasonable

16:34:39 1 XRP purchaser based on his specialized experience
2 in digital assets?

3 MR. OPPENHEIMER: Objection
4 to form.

16:34:53 5 A. From the scientific perspect -- from a
6 scientific point of view, the reasonable
7 purchaser -- until -- unless we're talking about
8 imaginary people and their imaginary thoughts, a
9 reasonable purchaser is a representation of an
16:35:12 10 average -- of average across actual purchasers.

11 Usually it's infeasible to reach every
12 single purchaser, so a sample of the purchasers is
13 evaluated. That becomes a survey. If we're also
14 interested in a causal proposition with respect to
16:35:36 15 the perspective, that would be a survey with a
16 control group or some other experiment.

17 Q. So if we're not talking about a
18 cause-and-effect situation and we're just speaking
19 about evaluating how XRP purchasers viewed certain
16:35:59 20 statements and actions by Ripple, is your
21 testimony that there's no nonscientific method of
22 doing this?

23 MR. OPPENHEIMER: Objection;
24 asked and answered.

16:36:11 25 You can answer again.

16:36:17 1 A. When you say that consumers viewed
2 certain statements, that's the impact of those
3 statements on consumers' perception. So that's a
4 causal proposition.

16:36:28 5 Q. Isn't that a separate theory from
6 viewing -- from having a perspective -- a perception
7 about a statement and whether the statement caused
8 a certain perception?

9 MR. OPPENHEIMER: Objection
16:36:41 10 to form.

11 A. If a person has a perception of a
12 statement and wouldn't have the same perception
13 without that statement, then the statement causes
14 that perception.

16:37:02 15 Q. Is there any way that the perception
16 could exist prior to the person even hearing the
17 statement?

18 A. If a perception exists prior to the
19 person hearing the statement, then that perception
16:37:14 20 is not caused by the statement.

21 Q. Okay.

22 A. And if such a perception exists, that's
23 what's called a preexisting belief and that's what
24 an experiment controls for.

16:37:40 25 Q. You would do the experiment if you're

16:37:42 1 trying to determine cause and effect?

2 MR. OPPENHEIMER: Objection
3 to form.

4 A. An experiment is a gold standard of
16:37:51 5 evaluating causal propositions.

6 Q. Okay.

7 MS. GUERRIER: Okay. I
8 don't have any other questions.

9 MR. OPPENHEIMER: Okay. Can
16:37:57 10 we go off the record for just a
11 minute for me to circle my notes?

12 THE VIDEOGRAPHER: Okay.

13 Going off the record at 4:38.

14 (Whereupon, a recess is taken.)

16:40:55 15 THE VIDEOGRAPHER: Okay.

16 Back on the record, 4:41.

17 CROSS-EXAMINATION

18 BY MR. OPPENHEIMER:

19 Q. You were asked some questions earlier
16:41:00 20 about the meaning of the term "placebo."

21 Can you clarify what the scientific
22 definition of a placebo is?

23 A. A placebo is a stimulus that's the same
24 as a test stimulus except for the aspect that's
16:41:16 25 being tested.

16:41:19 1 Q. You were also asked some questions about
2 whether certain causal statements in Mr. [REDACTED]
3 report used the word "cause."

4 Is it possible to state a causal
16:41:28 5 inference or a causal conclusion without using the
6 word "cause"?

7 A. Yes, it's possible.

8 MR. OPPENHEIMER: No further
9 questions.

16:41:37 10 MS. GUERRIER: I don't have
11 anything.

12 THE VIDEOGRAPHER: Okay.
13 This concludes the video deposition
14 of Kristina Shampanier. I said it
16:41:46 15 right. The time is 4:41. Going off
16 the record.

17 (Whereupon, the deposition
18 concluded at 4:41 p.m.)
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25

1 STATE OF NEW YORK)

2) ss:

3 COUNTY OF NEW YORK)

4 I hereby certify that the witness in the
5 foregoing deposition, KRISTINA SHAMPANIER, Ph.D. was by
6 me duly sworn to testify to the truth, the whole truth
7 and nothing but the truth, in the within-entitled cause;
8 that said deposition was taken at the time and place
9 herein named; and that the deposition is a true record of
10 the witness's testimony as reported by me, a duly
11 certified shorthand reporter and a disinterested person,
12 and was thereafter transcribed into typewriting by
13 computer.

14 I further certify that I am not interested in
15 the outcome of the said action, nor connected with nor
16 related to any of the parties in said action, nor to
17 their respective counsel.

18 IN WITNESS WHEREOF, I have hereunto set my hand
19 this 22nd day of December, 2021.

20 Reading and Signing was:

21 ___ requested ___ waived X not requested.
22

23 
24

25 BRIDGET LOMBARDOZZI, CSR, RMR, CRR